

CABINET

RECORD OF DECISIONS of the meeting of the Cabinet held on Thursday, 9 June 2016 at 1.00 pm at the Guildhall, Portsmouth

Present

Councillor Donna Jones (in the Chair)

Councillors Luke Stubbs
Ryan Brent
Jim Fleming
Lee Mason
Robert New
Steve Wemyss
Neill Young

14. Apologies for Absence (AI 1)

Apologies for lateness were received on behalf of Councillor Luke Stubbs as he had to attend a meeting of the Hampshire Fire and Rescue Authority. Apologies for absence were received on behalf of Councillor Linda Symes. Councillor Ryan Brent apologised for having to leave the meeting early.

15. Declarations of Interests (AI 2)

There were no declarations of members' interests.

16. Record of Previous Decision Meeting - 3 March 2016 (AI 3)

DECISION:

That the record of decisions from the previous Cabinet meeting held on 3 March 2016 be approved as a correct record to be signed by the chair.

17. Notice of Motion Referral - Consultation (AI 4)

The Leader of the Council, Councillor Donna Jones explained that at the council meeting held on 22 March 2016 it was agreed that notice of motion (f) as set out on the agenda would not be debated on that day but would be referred to Cabinet for consideration. She then read out the notice of motion that had been proposed by Councillor Vernon-Jackson and seconded by Councillor Sanders stating "the City Council has a role to speak up for the people of this city and for the city. The City Council therefore has a duty to respond to consultations that affect services for residents in the City. The City Council regrets the decision by the Council not to reply to consultations that affect services upon which residents of the city rely as this can mean decisions are taken by others that disadvantage local residents."

The Leader made a response statement on behalf of Cabinet as set out below, which would be reported back to Council.

"The City Council places great importance on consultations particularly by partner agencies such as Hampshire Fire & Rescue Authority. The City Council encourages all of its members, councillors and partners to partake in any consultation in the city. However the City Council does not fully respect our partners' position when they are carrying out their own consultation. We do not believe that it is right and proper for the Council to form a position but such that the 42 individual members of the council should form their own individual opinions and formally consult and reply to the consultation as they so wish."

DECISION:

Cabinet agreed the response statement.

18. Widening Student Opportunities in the City - EDCL Scrutiny Panel report and response report (AI 5)

(TAKE IN REPORTS)

Councillor Jennie Brent as chair of the Economic Development, Culture & Leisure (EDCL) Scrutiny Panel for 2015/16 introduced the report. She said the panel had been made up of members from different political groups and had worked together well. She said the review had shown the need for transparency across services and various different bodies and had highlighted the need for collaborative efforts to achieve the best possible outcome. She commended the report to Cabinet and encouraged them to celebrate the work that had been done and the recommendations made.

The chair thanked her for the panel's report and invited the Chief Executive to introduce the Director of Public Health's response report.

The Chief Executive introduced the response report saying that the recommendations made by the panel would be supported wherever possible. Detailed responses to each of the panel's recommendations were set out in paragraph 4 of the response report.

The chair thanked the panel for all the work it had done. She said that graduate retention levels was an important consideration for the city. She was delighted that the Portsmouth Together programme had now been extended until March 2018 as a result of funding drawn from the Public Health grant held in the corporate reserve. She said that students were a fantastic asset for the city and there were many volunteering opportunities available which could utilise their skill sets.

DECISIONS:

(1) that the Panel was thanked for its work in undertaking the review;

- (2) that the Economic Development Culture and Leisure Scrutiny Panel's recommendations were approved in line with the responses noted in section 4 of the report.**

19. Home to School Transport and Access to Primary School Places - ECYP Scrutiny Report and Response Report (AI 6)

(TAKE IN REPORTS)

The chair of the Education, Children & Young People (ECYP) scrutiny panel, Councillor Will Purvis was unable to attend the meeting to present the scrutiny report but had sent a written statement which was read to Cabinet members. He said that in terms of school places, the panel was acutely aware of the challenge of providing enough spaces for the increasing population in the city. The panel felt that the statutory test was not very helpful to those living in cities such as Portsmouth. Travelling 2 miles in a rural district was entirely different from travelling 2 miles in rush hour across the city. This made things difficult for a parent who was trying to get siblings to different schools. The panel also recognised the difficulty of modelling demand and recognised the good work of the pupil planning team. He said there was a need to continually monitor the situation as it changes - for example where houses in multiple occupation (HMO) were returned to families as new, purpose-built student accommodation became available.

The Chief Executive introduced the Deputy Director of Children's Services response report and drew Cabinet members' attention to paragraph 4. Councillor Neill Young said that in relation to the panel's recommendation (4) concerning moving the sibling criteria above catchment area for primary schools, the outcome of government consultation will be awaited before anything is done in this regard. He also said that in relation to their recommendation (5), the council will be undertaking an options analysis during 2016/17 before considering a city-wide consultation.

The Chair thanked the panel for its work. Cabinet agreed the recommendations as set out below.

DECISION:

- (1) the Panel was thanked for its work in undertaking the review;**
- (2) the Cabinet noted and supported the recommendations in the report, which are listed on pages 5-6 of the report, and the response from the Education Service (as set out in section 4 of the report).**

20. The Portsmouth Lottery (AI 7)

(TAKE IN REPORT)

Debbie Benham, Corporate Marketing & Business Development Manager, introduced the report which provides a recommendation to introduce a

Portsmouth lottery. She explained that the purpose for introducing a local lottery is to provide much missed grants and cash funding to local good causes, charities and voluntary organisations. She drew Cabinet's attention to the options set out in 5.2 of the report and said that option 2 formed part of the recommendations.

The Leader of the Council said that the report before Cabinet today was as a result of Councillor Stubbs bringing this forward. Councillor Stubbs said that one of the recommendations was that delegated authority be given to the Deputy Leader and the Resources portfolio holder to agree a policy and process for the allocation of the good causes central pot in conjunction with relevant officers and that this was important to allow good causes to benefit from the proceeds raised. The Leader of the Council said that it was envisaged that a funding committee made up of cross-party candidates would be set up in order to identify areas where support could be given. The recommendations set out in the report were agreed.

DECISION:

It was agreed that:

- (1) A city council run Portsmouth Lottery be introduced in 2016, called The Portsmouth Lottery.**
- (2) The purpose of the lottery is to raise funds for local charities, voluntary organisations and good causes in the city.**
- (3) The city council works with Gatherwell, the external lottery management company (ELM) behind Aylesbury Vale District Council's lottery, in order to deliver a Portsmouth Lottery.**
- (4) The initial set up fee of £3,500 is sourced from Resources underspend to initiate the lottery.**
- (5) The ongoing £500 annual licence fee is assigned from ongoing lottery income streams.**
- (6) An annual £2,000 marketing budget be allocated to the lottery (from ticket receipts) to ensure ongoing lotto awareness and promotion to drive ticket sales and to promote the lottery amongst good causes.**
- (7) Two council officers - the Director of Community & Communications and the Corporate Marketing & Business Development Manager are nominated to be the licenced personal holders.**
- (8) The city council hosts a launch event to promote the lottery - to include press, PR, Flagship and social media, as well as provide additional first draw prizes (iPad, theatre tickets etc.).**

- (9) Delegated authority is given to the Deputy Leader and the Resources Portfolio Holder to agree a policy and process for the allocation of the good causes central pot in conjunction with relevant officers.**

21. Proposed shared senior management arrangements with Gosport Borough Council (AI 8)

The chair advised that she wished to vary the order on the agenda papers to deal with item 8 before item 7. This was agreed.

(TAKE IN REPORT)

The chair invited Councillor Hugh Mason to make his deputation which he then did. He spoke broadly in favour of the recommendations but expressed concern that members of the council had not been given earlier notice of the arrangements being proposed and also about the workload of the senior officers concerned - in particular Mr Chris Ward as Section 151 Officer.

The chair also advised Cabinet that a written representation (as circulated) had been made by Councillor Vernon-Jackson that covered broadly similar issues as raised by Councillor Hugh Mason.

The Chief Executive introduced the report and said that at a meeting of Gosport Borough Council on 8 June 2016, a resolution had been passed confirming that Gosport Borough Council would approach Portsmouth City Council with a view to Portsmouth jointly working with Gosport to share a number of senior management posts. The Chief Executive said that this would provide an opportunity to both councils as a way of providing more efficient services. He said it should be viewed as a tribute to the city council that Gosport has contacted Portsmouth with a view to sharing senior management staff. The Chief Executive said that he appreciates the work issues raised and that there would be a need to draw on the experience and capacity of staff behind the senior management posts that would be shared. He said that he felt the proposed shared senior management arrangements would open up opportunities for both authorities and that the proposal should be seen as an opportunity. He was very mindful of the capacity issues and also that these would change. He said that already officers employed by Portsmouth City Council were working with Gosport for example in Housing Services. This was the first time where a unitary and a district council had sought to share senior management staff. He explained that the shared arrangements had been a full council decision for Gosport. However, under Portsmouth City Council's constitution this was an executive decision and not a council decision.

The chair of the Cabinet, Councillor Donna Jones said that the proposals for shared senior management arrangements were well-supported at Gosport Borough Council and that Portsmouth City Council's Section 151 Officer, Chris Ward would be of huge help to Gosport. She said that it was testament to the senior management team and the performance of Portsmouth City Council that the approach from Gosport Borough Council had been made.

With regard to sharing the information with members of opposition groups sooner, she said that purdah had delayed matters. She had advised group leaders within four or five days of purdah ending. With regard to concerns raised over capacity issues, the Finance Director and Section 151 Officer had a comprehensive team working for him so the extra work would not be undertaken solely by him, but he would be providing strategic direction.

The Leader advised that a report would now be taken to Employment Committee to allow for changes to the terms and conditions of relevant staff. She said that the proposed arrangements would provide many opportunities.

DECISIONS:

It was agreed that:

- (1) should Gosport Borough Council approach Portsmouth City Council to share senior management staff that the City Council looks favourably at this approach and explores how to make this work for the benefit of both councils.**

- (2) if an "in principle" agreement can be reached with Gosport:**
 - that the financial model outlined in section 5 should be used as the starting point for a discussion to agree how we would share costs and savings between the two councils**

 - that an agreement should be developed to formalise the arrangements**

 - a report should be taken to Employment Committee to allow for changes to the terms and conditions of relevant staff**

 - delegated authority be given to the Director of HR, Legal and Performance in consultation with the Leader of the Council to approve the final arrangements including an agreement between the councils.**

22. Appointments to outside bodies (AI 9)

Cabinet was advised that Councillor Ben Dowling had agreed to being appointed to the Building Control Partnership in his capacity as one of the Opposition Spokespersons for PRED, which was endorsed by Cabinet.

The Cabinet also endorsed the appointment of Mr Jerry Brown as a replacement trustee to the Portsmouth Hospital Trust (PHT). Councillor Luke Stubbs had met with Mr Brown to explain what would be involved with regard to this appointment. Cabinet noted that Councillor Jennie Brent had been appointed Chair of the Health Overview & Scrutiny Panel which precluded her from being a trustee of PHT.

Cabinet was advised that since the pre-agenda briefing, the Leader of the Opposition, Councillor Gerald Vernon-Jackson had submitted his proposed appointments to the various vacancies on the outside bodies schedule. This meant there were now more proposed appointees than places. Consequently the Cabinet went through the schedule and made appointments as shown on the separate schedule.

DECISION

Appointments were made at the meeting attached as Appendix 1

23. Approval of UK Municipal Bond Agency's Framework Agreement (AI 10)

(TAKE IN REPORT)

Chris Ward, Section 151 Officer introduced the report which sought approval for the council to enter into the borrowing documents prepared by the agency. The agency requires that local authorities borrowing from it enter into its framework agreement. Entering into the framework agreement enables the council to access funding from the agency as and when required. Mr Ward explained that there had never yet been a default from a local authority in its repayments and that although there are risks with entering into a framework agreement, these were perceived to be very low. Before any borrowing is allowed, a thorough credit check would be carried out and there are other protections which seek to limit liability. He advised that the provisions in the framework limit overall exposure. He advised that the recommendations were set out in section 3 of the report.

The Leader of the Council said that there had been robust discussion about this particularly around the potential risk to the Council in the event of a default. However the Section 151 Officer had convinced her that the risk is relatively low and her opinion is also that this is a positive message to central government. Cabinet agreed the recommendations.

RECOMMENDED to Council (and therefore not subject to call-in) to:

- (1) approve the Council's entry into the Framework Agreement and its accompanying schedules including the joint and several guarantee;**
- (2) delegate authority to the Director of Finance and Information Services as Section 151 Officer and the Deputy Chief Executive as Monitoring Officer to sign those documents, as appropriate, on behalf of the Council;**
- (3) grant the Section 151 Officer delegated authority to agree amendments to the Framework Agreement as appropriate.**

24. Date of next Cabinet Meeting (information item) (AI 11)

Members noted that the next scheduled Cabinet meeting will take place on Friday 8 July at 1.00 pm.

25. Exclusion of Press & Public (AI 12)

RESOLVED that under the provisions of Section 100A of the Local Government Act 1972 as amended by the Local Government (Access to Information) Act, 1985, the press and public be excluded for the consideration of the following item on the grounds that the report contains information defined as exempt in Part 1 of Schedule 12A to the Local Government Act, 1972 (paragraphs 3 & 5) relating to Appendix D of the report.

26. Arms Length Property Company (AI 13)

The Leader of the Council advised that the Cabinet meeting would remain in open session for as long as possible. However it was envisaged that it would be necessary to go into exempt session to consider the exempt appendix. The chair of the Cabinet invited Mr Jerry Brown to make his deputation which he then did. He raised concerns about an arms-length company not being subject to the same transparency and scrutiny requirements as the local authority - for example Freedom of Information (Fol) requests would not apply to such a company. He said he understood the need to enable a more commercial approach to transactions but wanted it to be set up in a way that is as transparent as other council business.

In response to a query, the Deputy Chief Executive, Mr Michael Lawther explained that under the Companies Act the Arms- Length Property Company would not be subject to FOI queries although council business would be. This is enshrined in company law. The chair explained that her understanding was that there was a need to have an arms- length company and that this would have a number of shares all owned by PCC. Matters relating to the Arms- Length Property Company would be reported back through the PRED portfolio so that there would be an audit trail. The Deputy Leader, Councillor Luke Stubbs said that even if there were no arms-length property company, there would still be a need to keep commercial information confidential so did not think there would in reality be much difference.

It was proposed by Councillor Donna Jones and seconded by Councillor Luke Stubbs that the meeting moved into exempt session. This was agreed.

During exempt session Mr Kevin Hudson and Mr Tom Southall outlined the options and gave information about who could and could not be directors of the arms- length company. Information was provided to Cabinet about the mechanics of the Arms-Length Property Company and various options on how it could be taken forward. The Deputy Chief Executive said that there was a great deal of detail that had yet to be worked through. Mr Chris Ward said that recommendation 2.5 was not in his opinion necessary and therefore this report did not need to proceed to full council. Cabinet members felt that the report should have been available to them sooner.

Discussion at the meeting then moved back into open session.

It was proposed by Councillor Donna Jones and seconded by Councillor Luke Stubbs that the recommendations in the report be agreed with the deletion of recommendation 2.5 of the report and this was agreed.

DECISION:

That Cabinet approved the following recommendations:-

- (1) That the benefits of using an Arm's Length Development Company, for the ongoing development of Dunsbury Business Park are noted.**
- (2) That the City Solicitor be instructed to form a parent company for the delivery of property and housing projects with a subsidiary arms-length development company, as detailed in the Appendices to this report with the agreement of the Cabinet Member for PRED.**
- (3) That the City Solicitor and Director of Finance and Section 151 Officer be authorised to enter into such service and supply agreements with the company as are required by the company for its operation in conjunction with the PRED portfolio holder.**
- (4) That the City Solicitor and Director of Finance agree and authorise the company formation documents: articles of association, shareholders agreement, secondment agreements, directors of company and loan terms in conjunction with the PRED portfolio holder.**

The meeting concluded at 2.48 pm.

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Councillor Donna Jones
Leader of the Council