

CABINET

RECORD OF DECISIONS of the meeting of the Cabinet held on Tuesday, 10 March 2020 at 12.00 pm at the Guildhall, Portsmouth

Present

Councillor Gerald Vernon-Jackson CBE (in the Chair)

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

15. Apologies for Absence (AI 1)

16. Declarations of Interests (AI 2)

Peter Baulf, as City Solicitor, had provided advice to members regarding their role in debates relating to private sector housing, as either landlords or tenants, and he had taken a different view in relation to the report before them at this meeting as opposed to the previous Council debate. There were therefore no pecuniary interests needing to be declared.

17. Record of Previous Decision Meeting - 4 February 2020 (AI 3)

RESOLVED that the minutes of the previous Cabinet meeting held on 4 February 2020 be approved as a correct record to be signed by the Leader.

18. Draft Private Rental Sector Strategy for Portsmouth (AI 4)

Clare Hardwick, Head of Private Sector Housing, presented the report of the Director of Housing, Neighbourhood and Building Services, which showed how the survey results helped to shape the draft strategy. The report set out the key aims and actions, including the establishment of a mediation service and investigation of additional licensing. The aim was to consult on these for 3 months from the end of March.

A deputation was made by Councillor Corkery, as Labour Housing Spokesperson. Deputations are not minuted in full but can be viewed as part of the webcast record of the meeting here:

<https://livestream.com/accounts/14063785/full-cabinet-10mar2020>

Councillor Corkery raised concerns from tenants regarding poor quality housing conditions and rogue landlords and wanted full powers to be used to enforce better conditions and an increased level of landlord accreditation and more action taken through the HMO Governance Board to help address the power balance between landlord and tenant.

Clare Hardwick responded to some of the points raised; with regards to selective licensing, this can be applied to all properties and landlords (not distinguishing between properties) and the strategy includes looking at HMOs which have a greater impact on communities. The intention would be to take a proportionate approach and she stressed this is a draft consultation to find out the views of the public. The Leader asked that if a route was discounted the reasons behind this be explained.

Councillor Sanders, as Cabinet Member for Housing, did not believe that evidence of problems justified selective licensing, although this had been considered and the House of Commons' review had found that it would not work on its own. Selective licensing does not deal with those arriving homeless or who are behind with their rent. The Greater Manchester review had found a lack of support for tenants. The intention was for the proposed Mediation Service would become the first such Housing Court. Cllr Sanders favoured bringing back additional licensing for small HMOs and this needed to be brought in in an integrated way.

Councillor Pitt felt that the Newham example of selective licensing was not comparable (Clare Hardwick confirmed that there had been an issue there regarding criminality of landlords, plus different demographics) and felt that the involvement of ward councillors was important in helping report issues of poor housing conditions. Paul Fielding, Assistant Director Housing, reported that he would be meeting with the Registered Social Landlords later that day to discuss their complaints procedures. Councillor Wood was supportive of HMO issues being further considered; these were often raised by residents groups at Planning Committee. Councillor Vernon-Jackson welcomed the report and sought an ambitious plan which would help give support tenants and help support landlords to be better.

The Leader asked that there be regular updates on progress.

DECISIONS:

- (1) The Cabinet approved the draft Private Rental Sector strategy for Portsmouth (Appendix 1).**
- (2) That officers will immediately begin to implement the actions within the strategy that do not require any further permissions, budget or resources, as identified in section 6 of this report.**
- (3) The Cabinet authorised officers to undertake a consultation on this draft strategy.**
- (4) That officers bring back to Cabinet the results of the consultation, along with a final strategy and action plan for approval and identify any additional decisions required to implement the strategy.**

19. Home Energy and Water Strategy (AI 5)

The Director of Housing, Neighbourhood and Buildings' report was presented by Meredydd Hughes, Assistant Director Buildings, Andrew Waggott, Energy Services Team Manager and Mark Sage, Tackling Poverty Co-ordinator. The draft strategy had been out to consultation and now incorporated the feedback from the public and key stakeholders (as set out in Appendix C) which had been highly supportive. Appendix B set out the action plan of works and the team had been successful in attracting additional external funding and further funding for insulation works could be announced in the following day's national budget. Mark Sage reported that a key part of the strategy was tackling poverty and reducing the costs of energy, to provide a coherent and visible offer for residents to access.

Councillor Sanders, as Cabinet Member for Housing, quoted some of the targets within the strategy, including improving 500 homes and supporting 1,500 people in their energy spending and 1,500 people to improve their water. Also there is a target to save 500 tonnes of carbon each year. He welcomed the ambitious programme, which showed why PCC had won Energy Efficiency Council of the Year again.

Councillor Winnington, as Joint Chair of the Health & Wellbeing Board (HWB), reported that Mark Sage had brought the draft strategy to the HWB which has a wide ranging membership (including police, probation, education as well as health) where it had been well received. He welcomed this strategy which would also benefit physical and mental health. The report authors were thanked for this important piece of work and the Leader welcomed the work taking place with landlord for the benefit of tenants

DECISIONS - The Cabinet:

- (1) noted the extensive consultation undertaken with key partners and the wider public; and that the response of the consultation was overwhelmingly positive and in agreement with the objectives laid out in the draft strategy.**
- (2) approved the final strategy for publication.**
- (3) noted the development of a detailed action plan which will help to expand the scope and scale of the help currently offered by the authority; whilst acknowledging that this is a live document which will be subject to further development.**
- (4) noted the development of a marketing and communication strategy which will reach and engage every household in Portsmouth; whilst acknowledging that this is a live document which will be subject to further development.**

20. Mainstreaming Proceeds of Crime (AI 6)

Ed Skinner, Regulatory Services Lead, presented the report of the Director Culture, Leisure & Regulatory Services, and reported on the work undertaken by Trading Standards which included tackling rogue traders and landlords. Paragraph 4.4. of the report set out the areas which could benefit from these

powers, which also included persistent fly-tipping, parking fraud, food standards and adult social care dishonesties. Section 8 of the report set out the advice that would be given to other departments (such as Planning and Housing) on the use of the Proceeds of Crime Act (PoCA) and the proposal was to invest in the appointment of a legal advocate.

Councillor Hunt, as Cabinet Member for Community Safety, was pleased that the report showed how officers were working across services, as well as with external bodies, to tackle fraudulent activities, using all the powers available. There would need to be training of more investigators and it was expected that the scheme would self-finance. He suggested an additional recommendation for regular reports to his portfolio meetings and he congratulated Richard Lee's team for their work.

Councillor Pitt, Deputy Leader, welcomed the work which tackled those exploiting others, including the vulnerable. In response to a question from Councillor Stagg, Mr Skinner reported that the intention would be to work with the Safer Portsmouth Partnership in the future, using money retrieved to work with young offenders, but the government took part of the proceeds with the local authority retaining 37%.

DECISIONS: The Cabinet

(1) approved the actions as set out within Section 8 of the report, namely the:

- **development of Council wide processes, guidance and templates for the comprehensive implementation of POCA frameworks across all PCC services;**
- **use of risk assessed POCA interventions wherever possible;**
- **setting up of a £50,000 reserve to offset against costs incurred during the process of pursuing actions via the Courts in respect to criminal proceedings and POCA activities.**

(2) Asked that regular update reports be brought to the Cabinet Member for Community Safety's decision meetings.

21. Administration fees for Appointeeship Services (AI 7)

Richard Webb, Finance Manager, presented this report which sought to introduce fees for the appointeeship services in order to ensure the service could continue to support future vulnerable adults. Fees would be kept as low as possible. The report set out benchmarking with other local authorities and the proposed engagement process before the introduction which was planned for July 2020. In response to questions from Councillor Winnington, Cabinet Member for Health, Wellbeing and Social Care, he drew members' attention to the table at 5.15 which showed PCC fees of £10, compared to £15 for external organisations, and it was not set at full cost recovery for the council (which would be at a level of £21). Councillor Winnington commented that

there had been a large increase in clients for this non-statutory service, and the increase was necessary to provide help, when it was not covered by government funding.

DECISIONS - The Cabinet:

(1) Agreed to introduce administration fees for Appointeeship services from Monday 06 July 2020.

(2) Agreed to set the weekly fees at the following rates for the financial year 2020-21 from the above date:

For clients in residential care - £4.00

For clients in community based care - £10.00

(3) Agreed to the mitigation arrangements in the case of hardship as set out in paragraphs 5.20 and 5.21.

(4) Agreed that the proposed fee rates above, will be inflated annually in line with the inflation rate applied to the Adult Social Care fees and charges from the financial year 2021-22.

(5) Noted the proposed community support and engagement process as detailed in section 7 of the report.

22. Greening Portsmouth Strategy (AI 8)

Kelly Nash, Corporate Performance Manager, presented the report on behalf of the Chief Executive which set out the proposals to maximise the impact of the significant planting programme for the city, its positive implications for wellbeing and in countering carbon emissions. The aim was to plant 1200 trees per year.

Councillor Vernon-Jackson, Leader of the Council, welcomed the strategy which he was seeing taking shape around the city and also Colas were replacing trees when they had to take these out of the highway.

Councillor Ashmore, Cabinet Member for Environment & Climate Change, welcomed the positive document which aimed to improve the environment and air quality across the whole city. He was pleased that Friends of the Earth and Wilder Portsmouth had been involved in its development. It would not just be the planting of trees but would include other plants such as wildflowers, and the Cabinet members thanked and congratulated the officers for their work across departments.

Councillor Stagg and Councillor Horton welcomed the involvement of schools and the interest of children in climate change. Cllr Stagg hoped that the Planning Department would ensure that trees were replaced when removed in new developments. Councillor Rob Wood urged some caution for trees to be planted where appropriate. Councillor Hunt hoped that the new trees would be protected and respected. Councillor Sanders welcomed this as an ambitious

strategy for the city, which resisted net loss of green space, and he would send the strategy to the Tree Council.

DECISION: Cabinet approved the Greening Portsmouth Strategy (set out at Appendix A to the report).

23. Forward Plan Omission re Annual Capital Strategy (AI 9)

The Cabinet noted:

- (1) the omission to the Forward Plan for March 2020;
- (2) the publication of the omission notice.

24. Annual Capital Strategy - 2020/21 - 2029/30 (AI 10)

Julian Pike, Deputy Director of Finance & Section 151 Officer, presented this update report going to Council, which outlined the principles formulated and set out the impact of capital expenditure plans, including debt repayment, and indicators for exposure (all set out in the appendices).

Councillor Vernon-Jackson, asked that he as Leader and the Deputy Leader have oversight of progress on this during the year.

RECOMMENDED to Council:

(1) That Part I of the Capital Strategy (Capital Expenditure and Aspirations) be approved including:

a) The Short / Medium / Long-term Aspirations set out in Appendix 1

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

a) The Minimum Revenue Provision (MRP) for Debt Repayment Policy (Part II, (paragraph 1.5)

b) The investment indicators in Part II - Appendix 2 (part II, paragraph 2.5)

c) That the Director of Finance and Resources (Section 151 Officer) will bring a report to the next Cabinet and City Council if (part II, paragraph 2.5):

(i) The Council's gross General Fund (GF) debt exceeds 400% of GF net service expenditure or;

(ii) Overall investment income from investment properties and long term treasury management investments exceeds 7.9% of GF net service expenditure.

25. Treasury Management Policy 2020/21 (AI 11)

Julian Pike, Deputy Director of Finance & Section 151 Officer, presented this report which set out significant policy amendments, which included avoiding investment in fossil fuels unless they invest in renewable energy. With regard to the changes to lending to Hampshire Community Bank, Councillor Vernon-

Jackson, as Leader, would wish any lending proposal involving them to come to Cabinet for decision (so added a recommendation g(ii) to reflect this).

RECOMMENDED to Council:

- (a) that the upper limit for principal sums invested for longer than 365 days contained in paragraph 4.7 of the attached Treasury Management Policy Statement be approved;
- (b) that the upper and lower limits on the maturity structure of borrowing contained in appendix 5.1 of the attached Treasury Management Policy Statement be approved;
- (c) that the attached Treasury Management Policy Statement including the Treasury Management Strategy and Annual Investment Strategy for 2020/21 be approved;
- (d) That the Council will where it is financially responsible to do so, give preference to investments that improve the environment, bring wider social benefits, and are with organisations with good governance. In particular the Council will:
 - (i) Avoid investments in fossil fuel extraction unless they are making substantial investment into renewable energy technologies as part of a strategy to become a clean energy supplier;
 - (ii) Consider the environmental, social and governance elements of credit ratings in making investment decisions, provided that the overall risk profile of the investment portfolio (including liquidity risk) and returns are not compromised;
- (e) that rated building societies be given the same lending limits as banks;
- (f) that the Council will only lend to housing associations if they have a viability rating of V1 and a Governance rating of G1 from Homes England;
- (g) (i) that lending to Hampshire Community Bank (HCB) will be secured on loans made by HCB to small and medium sized enterprises (SMEs) of the highest credit quality which may not in turn be secured on tangible fixed assets;
- (ii) That loan advances to HCB in accordance with (g) (i) above will be subject to individual approval by Cabinet
- (h) that the maximum duration of loans to HCB be reduced from 10 years to 5 years;
- (i) As set out in paragraph 1.4 of the Treasury Management Policy Statement, the Director of Finance and Resources (Section 151 Officer) and officers nominated by him have delegated authority to:
 - (i) invest surplus funds in accordance with the approved Annual Investment Strategy;
 - (ii) borrow to finance short term cash deficits and capital payments from any reputable source within the authorised limit for external debt of £883m approved by the City Council on 11th February 2020;
 - (iii) reschedule debt in order to even the maturity profile or to achieve revenue savings;
 - (iv) to buy and sell foreign currency, and to purchase hedging instruments including forward purchases, forward options and foreign exchange rate swaps to mitigate the foreign exchange risks associated with some contracts that are either priced in foreign currencies or where the price is indexed against foreign currency exchange rates;

(j) that the Director of Finance and Resources (Section 151 Officer) has the power to delegate treasury management operations to relevant staff;
(k) that the Chief Executive, the Leader of the City Council and the Chair of the Governance and Audit and Standards Committee be informed of any variances from the Treasury Management Policy when they become apparent, and that the Leader of the City Council be consulted on remedial action (paragraph 1.2.2 of Treasury Management Policy Statement).

26. Revenue Budget Monitoring 2019/20 (Third Quarter) to end December 2019 (AI 12)

Julian Pike, Deputy Director of Finance & Section 151 Officer, presented this report which detailed the underspend of £667k; any underspend at the end of the financial year would transfer for future capital resources.

DECISIONS:

(i) Cabinet Members noted:

(a) An overspend of £667,900 before further forecast transfers from/(to) Portfolio Specific Reserves & Ring Fenced Public Health Reserve

(b) An underspend of £625,200 after further forecast transfers from/(to) Portfolio Specific Reserves & Ring Fenced Public Health Reserve.

(c) That any actual overspend at year end will in the first instance be deducted from any Portfolio Specific Reserve balance and once depleted then be deducted from the 2020/21 Cash Limit.

(d) That on 11th February 2020 City Council approved that any underspending for 2019/20 arising at year-end outside of those made by Portfolios be transferred to Capital resources.

(ii) Directors, in consultation with the appropriate Cabinet Member, will consider options that seek to minimise any forecast overspend presently being reported and prepare strategies outlining how any consequent reduction to the 2020/21 Portfolio cash limit will be managed to avoid further overspending during 2020/21.

27. Local Transport Plan 4 Development (AI 13)

Felicity Tidbury, Acting Assistant Director Transport, presented the report of the Director of Regeneration. The production of the updated plan was a statutory obligation and this now covered a longer period running to 2036. It was proposed that the new vision, as outlined in the report and appendix, go out to consultation before being due back at Cabinet in June 2020.

Councillor Stagg, as Cabinet Member for Traffic & Transportation, thanked the officers involved for their hard work in accessing the various funding streams. The plan needed to address the problems caused by increased car ownership an 43k vehicles coming into the city each day, leading to congestion and air pollution as well as the economic effects of delays in travel. This represented an aspirational integrated transport strategy and she commended the chart

appended to the report. Councillor Winnington commented on the cross agency work with local businesses and health organisations. The Director of Public Health was also keen to be involved.

DECISIONS - The Cabinet:

(1) approved the draft vision and policy objectives for the Local Transport Plan 4

(2) agreed the continued development of the draft strategy in accordance with the vision and policy objectives

(3) agreed that the strategy be brought back to Cabinet and Full Council for approval to consult in June.

28. Exclusion of Press and Public (AI 14)

The confidential version of Social Value (appendix B only) was confirmed as exempt information (and an open version had been made available). With regard to the original, confidential version the resolution to maintain its confidentiality was passed, on the grounds that it contained information defined as exempt in part 1 of Schedule 12A to the Local Government Act 1972.

29. Social Value - a rent subsidy model (AI 15)

Tom Southall, Assistant Director Property & Investment, drew members' attention to the new open version of Appendix B which gave a fictitious example of how the model could work. He also pointed out that at paragraph 3.6 there would be reinvestment in the Housing Estate via the Housing Revenue Account.

Councillor Vernon-Jackson paid credit to the involvement of Councillor Jeanette Smith as former Cabinet Member for Resources. Councillor Smith then gave a deputation, reading out the principles of Social Value, and challenging whether this report met the aims as there had not been adequate consultation with the community and voluntary sector. She was disappointed that it had taken 2 years to come to Cabinet and did not show a partnership approach and PCC had to act as a responsible landlord.

Tom Southall responded to points raised; the proposal was for standard terms for occupation to be fair and he agreed that assets let should be fit for purpose. Councillor Vernon-Jackson welcomed the proposal to look at wider considerations than attracting the highest rent from PCC assets, as these should be lowered if the project achieves a wider PCC objective. He would favour monitoring progress to see how this worked with the voluntary sector.

Councillor Tom Wood, as Cabinet Member for Resources, felt that this was formalising a process that had already been used in some cases, and he welcomed the rent subsidy model which would help support organisations in the city. Councillor Winnington also supported social value considerations

being looked at, as had happened when the Langstone Harbour Board had discussed the operation of the Hayling Island Ferry.

Councillor Pitt, as Cabinet Member for Culture & City Development, reported on the range of property owned by PCC, which was subject to Landlords Maintenance Budget, including garages and shops being let out on market value, subject to the condition of the property. He felt that there is more work to do on considering sub letting implications and reported that a separate report on the Hive was due to come to the next Cabinet meeting.

At the end of the meeting the Leader thanked Cllr Rob Wood for his work and contributions as Cabinet Member for Children and Families, who was attending his last meeting.

DECISIONS:

(1) Cabinet approved a property valuation framework where social value can be taken into account when PCC is looking to rent out property to third parties where their aims coincide with the objectives of the Council;

(2) Cabinet Members acknowledged that the service areas that benefit from the third-party support recognise the discounted income in their Portfolio cash limits and that equivalent savings may be necessary to accommodate any reduced income.

(3) Cabinet requested a report back in 6 months' time regarding the implementation and consultation with the voluntary sector to show how this model is working.

The meeting concluded at 2.05 pm.

Councillor Gerald Vernon-Jackson CBE
Leader of the Council