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## SOUTHAMPTON CITY COUNCIL

### MINUTES OF THE COUNCIL MEETING HELD ON 18 JULY 2018

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#### Present:

The Mayor, Councillor Barnes-Andrews  
The Sheriff, Councillor P Baillie  
Councillors J Baillie, Bell, Mrs Blatchford, Bogle, Chaloner, Coombs, Fielker, Fitzhenry, Fuller, Furnell, Galton, Galton, Guthrie, Hammond, Hannides (except items 22-27(part)), B Harris, L Harris, Harwood, Houghton, Jordan, Kataria, Kaur, Keogh, Laurent, Leggett, Mintoff, Mitchell, Morrell, Murphy, Noon, Dr Paffey, Parnell, Payne, Pope (except items 27(part) - 38), Rayment, Savage, Shields, Streets, Taggart, T Thomas, Vassiliou, Whitbread, White and Wilkinson

#### 22. APOLOGIES

It was noted that apologies had been received from Councillors Claisse, McEwing and D Thomas.

#### 23. MINUTES

**RESOLVED** that the minutes of the AGM Council meeting held on 16<sup>th</sup> May 2018 be approved and signed as a correct record.

#### 24. ANNOUNCEMENTS FROM THE MAYOR AND LEADER

- (i) Members stood in a minutes silence to mark the 20<sup>th</sup> year anniversary of the tragic death of former City Councillor and Mayor Michael Andrews, who served as a City Councillor from 1976 – 1998 and was Mayor from 20<sup>th</sup> May 1998 until his death whilst serving on Mayoral duties on 27<sup>th</sup> July 1998. The Mayor announced that as a mark of respect the City flag would fly at half-mast on the anniversary date;
- (ii) The Mayor announced that this was the last Council meeting before the departure of Suki Sitaram, Chief Strategy Officer who had given the Council her unstinting commitment, loyalty and hard work over many years. Tributes were made from Members across political parties;
- (iii) The Leader made the following statement. In the short period since I became Leader, there have been many competing demands and one of the key issues I decided to prioritise was that of the Kentish Road Respite Centre. Adult Social Care has been described as the burning platform of Local Government across the country and it will continue to challenge all councils on how to best provide that care. With that in mind, I would like to offer an apology for the difficulties experienced by the families who used Kentish Road. This has not been the council's finest hour and its right to acknowledge this. I have spent time listening to the families, visiting respite centres and speaking to charities. The common thread in all these conversations was that a one-size fits approach to care doesn't work. At Cabinet in April, we committed to keep Kentish Road open and offer care on

a temporary basis, while discussions were ongoing with the voluntary sector partners about the future of the site. I am pleased to announce, that we have done, Kentish Road is open and on schedule, offering weekend care to a number of families. We have had good feedback from the service users so far. I have reviewed the voluntary sector plans and it is clear that none of those organisations offer the ideal solution for the Council. So today, I am announcing that the Council will retain responsibility for delivering respite care at Kentish Road in order to meet the needs of people with learning disabilities. Simply keeping everything the same as it's always been is not an option. However, by retaining the site, this gives us the opportunity to deliver the right mix of Adult Social Care options in the future. We have listened and we will continue to do so with service users, their families and our partners as we develop services delivered at the centre.

## 25. DEPUTATIONS, PETITIONS AND PUBLIC QUESTIONS

It was noted that no requests for deputations, petitions or public questions had been received.

## 26. EXECUTIVE BUSINESS REPORT

The report of the Leader of the Council was submitted setting out the details of the business undertaken by the Executive.

The Leader and the Cabinet made statements and responded to questions.

The following questions were submitted in accordance with Council Procedure Rule 11.1.

### 1. Pedestrianisation of Guildhall Square

Question from Councillor Fitzhenry to Councillor Hammond.

Can the Leader confirm his commitment to the pedestrianisation of Guildhall Square as quickly as possible?

Answer

It was never agreed the Northern Above Bar side of Guildhall Square would be entirely traffic free – but that a review would be undertaken. Now that the galleries are open we are undertaking monitoring of the traffic and will consider the options of pedestrianisation as part of the LTP4 consultation.

### 2. One New Home Every Day

Question from Councillor Fitzhenry to Councillor Hammond.

Can the Leader confirm his commitment to the Labour election pledge of one new home every day?

Answer

This pledge was made in 2012 since then we have been faced with changes to affordable homes legislation, Brexit, three Leaders (ourselves and the Opposition), the context is very different today. In our latest manifesto, we set the target of providing 1000 new homes over the next five years.

### 3. Telephone Answering

Question from Councillor Laurent to Councillor Chaloner

Eastleigh Council answer the telephone and deal with queries at the same point immediately and efficiently. Why cannot Southampton Council do the same?

Answer

We have been investing significant time and effort into improving our customer services, to increase the efficiency with which we deal with customer enquiries. As an example last month we dealt with around 45,000 calls and answered these in an average time of 2 minutes 28 seconds. This is an improvement on the position in June 2017, the average speed of answer was 4 minutes 12 seconds.

Dealing with customer issues at the first point of contact is a key part of our strategy for improvement. We have recently introduced a new customer satisfaction survey for the contact centre and one of the questions monitors our performance in this area by asking whether customers were able to successfully do what they called for on that occasion. The latest data shows 72.5% of customers responding positively to this question. However, there will always be a proportion of customer enquiries which require referral to a specialist team, for example where the information provided indicates a social care assessment is needed.

We are continuing to make changes to systems and processes to improve customer experiences both online and via traditional channels.

### 4. Reduced operating hours at Housing and Gateway cash offices

Question from Councillor Fitzhenry to Councillor Chaloner

Given the Council's strategic approach towards digitalisation and reduction in customer facing interactions, can the Cabinet Member confirm if the reduced hours of service at our housing and Gateway cash offices has increased our rent/payment arrears and/or increased our costs of recovery?

Answer

Part 1 – Impact of reduced hours.

The following stats compare the use of the cash office for 4 months either side of the reduction in opening hours for both 2017 and 2018.

	Council Tax		Housing Rents		Business Rates		Debtors		Others		Trans	Total
<b>Mar-17</b>	3109	£461,275	2007	£268,595	89	£112,344	663	£566,465	1466	£210,997	7334	£1,619,676
<b>Mar-18</b>	2653	£452,095	1966	£319,885	45	£57,092	702	£357,385	1321	£162,076	6687	£1,348,533
	-456	-£9,180	-41	£51,290	-44	-£55,252	39	-£209,080	-145	-£48,921	-647	-£271,143
<b>Apr-17</b>	4866	£573,354	2051	£258,238	156	£244,383	1160	£1,136,211	1251	£185,515	9484	£2,397,701
<b>Apr-18</b>	3886	£521,392	1780	£279,200	121	£132,047	861	£293,629	1830	£398,921	8478	£1,625,189
	-980	-£51,962	-271	£20,962	-35	-£112,336	-299	-£842,582	579	213,406	-1,006	-£772,512
<b>May-17</b>	4959	£462,833	2224	£342,076	180	£214,262	834	£329,261	1301	£202,607	9498	£1,551,039
<b>May-18</b>	4153	£392,435	1990	£314,228	145	£20,965	568	£979,753	1626	£785,152	8482	£2,492,533
	-806	-£70,398	-234	-£27,848	-35	-£193,297	-266	£650,492	325	£582,545	-1,016	£941,494
<b>Jun-17</b>	5159	£436,812	2196	£325,704	152	£134,787	840	£391,802	1444	£246,752	9791	£1,535,857
<b>Jun-18</b>	3845	£351,290	1930	£300,581	120	£110,911	540	£373,865	1063	£59,513	7498	£1,196,160
	-1,314	-£85,522	-266	-£25,123	-32	-£23,876	-300	-£17,937	-381	-£187,239	-2,293	-£339,697

The table above shows that over the first 3 months there is slow down in March and April offset by an overall increase in May, which over the 3 month period evens out the overall amount received.

June is the first month of the reduced opening hours, so is possibly too early to assess whether this is having an impact. Additional information would be required to assess the impact of trying another way to pay i.e. setting up of standing orders or direct debits and or making one off payments on line.

## Part 2 Impact on Council Rents

In reviewing the collection of rents between May and June this year that the difference in income collected is minimal at £13,647 and tenants paying their rent through the cash office has reduced by 60 people. This is only one route through which our tenants can pay their rent. As mentioned above, reviewing data for the first month of reduced opening hours is too early to identify trends, but this early information indicates minimal impact on rent collection and therefore arrears. Tenants do have other payment options including direct debits and standing orders.

## 5. Management of Cemetery Grounds

Councillor Galton to Councillor Hammond

Is the Leader happy with the management of our cemetery grounds or will he change how things are done here after the years of dissatisfaction expressed by our residents?

Answer

The Council manages and maintains 5 Cemeteries within the City; Hollybrook, St Mary Extra, South Stoneham, Millbrook and Southampton (Old) Cemetery, totalling over 100 acres of cemetery grounds.

Grounds maintenance within the cemeteries and Southampton Crematorium Garden of Rest is undertaken by a small team, (11.33 FTE) who also dig graves and undertake burials within the cemeteries, approximately 500 p.a.; and operate the cremators at the Crematorium, approximately 2400 cremations p.a. In addition to working with Friends groups and volunteers the team is supplemented with temporary staff during the grass cutting season.

Maintaining the cemeteries is labour intensive due to the number of obstructions encountered and the care needed to ensure that headstones and kerb sets are not damaged by machinery.

## 6. Air Quality

Councillor Galton to Councillor Rayment

Why is the driver monitoring equipment in the Council's fleet still not being used to improve our staff's safety, to reduce fuel consumption and most crucially to improve local air quality? (ref: Air Quality Inquiry recommendation viii).

Answer

We do not have driver monitoring equipment in the majority of the Council's Fleet vehicles or the supporting systems to effectively monitor and analyse the data to enable effective management of driver behaviour. The team have been working hard to introduce a wide range of measures to improve air quality in the city which has included the introduction of electric vehicles into the council's fleet. The introduction of driver monitoring equipment has not been progressed as a priority.

However we have carried out work with The Blue Lamp Trust to encourage behaviour change.

## 7. Fly-tipping Hotspots

Councillor Galton to Councillor Rayment

Why have the Council refused to take pro-active action around the regular fly-tipping hotspots in the City such as Cannon Street in Shirley?

Answer

Waste and Recycling deploy crews to Cannon Street twice a day Monday to Friday and also a visit on Saturday to clear fly tipped waste. Where there is potential evidence in the waste, such as postal addresses, this information is

passed to Environmental Health to investigate further. We are reviewing if CCTV is possible.

## 8. Car Park Fines

Councillor Galton to Councillor Rayment

How many fines have been issued in our district car parks since your decision to introduce new charges and how many of these were for a failure to show a ticket?

Answer

Since the period of free parking was reduced from 5 to 2 hours, following the posting of signage and a period of grace, in common with the level of fines issued in other car parks the numbers requested are below:

Car Park	March	April	May	June	July
Angel Crescent	133	111	164	206	62
Lances Hill	61	22	24	24	5
Whites Road	20	9	14	9	0
Westridge Road	201	234	156	127	32
Oak Bank Road	67	63	42	41	11
Marlborough Road North	65	83	49	55	9
Howards Grove	66	100	77	71	7
Totals	613	622	526	533	126

## 9. Childcare Social Workers

Councillor J Baillie to Councillor Jordan

Given the difficulty in recruiting childcare social workers, what is being put in place to address this?

Answer

A cross-council project led by Children and Families to improve recruitment and retention has been under way in recent months. The project focuses on the 'hardest to recruit to' roles in the service, including social workers. The work is informed by local evidence and experience in the context of broader, more national, themes. This has helped to identify our specific recruitment and retention challenges and the work required in order to address these.

The project has looked at how we manage all the key stages of recruitment, from how we advertise roles online and in specialist media, the use of dedicated recruitment events, and targeted campaigns via social media in order to help improve our position and reputation across the region. We now have a Recruiter's Licence on LinkedIn, which gives us scope to target individuals with specific skillsets and experience. We have developed new recruitment literature (e.g. "A day in the life of...") and are also raising awareness of SCC employee benefits and wellness initiatives. There has been a focus on improving creativity in our advertising, and on how well we liaise with applicants. The interview and appointment processes have been improved, and applicants are now given more options about how they would like to engage in these processes. We have a clear 'journey' right up until the social worker starts in role, and we have also refreshed our induction and support arrangements to give our new colleague a good start in their employment with SCC.

Between February and June 2018 we received 62 applications for a social work position, which represented an approximately fourfold increase in applications when measured against the preceding 4 months. Of these, 18 were successful, 26 were of insufficient quality and 18 withdrew, usually as a result of receiving an offer of work elsewhere or because of unrealistic expectations around flexible working.

The inaugural recruitment event held in February 2018 proved very successful, with nearly 100 registrations for the event resulting in 92 job applications, of which 43 were for social worker positions. The event also generated a good deal of positive feedback both from within SCC and also from the broader social work community. There will be a similar event in September 2018, along with a separate social event targeted at experienced social workers.

At the time of writing there are 16 vacancies for social work roles in the service, which shows good progress compared to the position in February 2018 when there were 28 vacancies.

We continue to experience a significant degree of competition, especially for more experienced social workers. Some neighbouring authorities, which are less financially constrained, than ourselves, are also able to offer more administrative support within the role which helps them to attract and retain staff. In addition, Southampton continues to suffer from a legacy of poor reputation in its Children's Services department which, despite the significant improvements made in recent years, is likely to continue to impact on our ability to recruit.

In addition, a majority of our recruits are newly qualified social workers, who cannot manage the same levels of caseload as more experienced workers. We also continue to experience challenges in retaining our newly-qualified staff: these are being addressed through a range of longer-term measures such as a wider training offer, improved levels of managerial support, and better career development opportunities.

## 10. Southampton Schools

Councillor J Baillie to Councillor Paffey

Is the Cabinet Member confident that in the coming years every child in the city will be able to attend a Southampton School?

Answer

Southampton City Council's forecasting of pupil numbers has been shown to be accurate to within 1%, making it one of the best in the country (confirmed by the Department for Education's place planning team). We are therefore confident that our school places have been planned accordingly, taking into account both the increased pupil numbers currently in our primary schools as well as the 'pushback' resulting from increased pupil numbers in Hampshire schools and a subsequent reduction in the number of Southampton pupils attending Hampshire schools .

Following the success of the primary expansion scheme which provided sufficient places for Southampton children, our Secondary School Expansion Programme due for approval at Cabinet on 17th July 2018 is reflective of our forecasting. To meet future demand, we propose a combined strategy of (1) filling capacity in existing schools, (2) expanding others in parts of the city where there is demand, and (3) the creation of a new 900 place secondary school.

With the majority of SCC schools being either Good or Outstanding, and the rest on the road to improvement, this approach will ensure there are sufficient good school places that will enable every child in Southampton to get the best start in life.

## 11. Rebranding Process

Councillor J Baillie to Councillor Kaur

What value will the city get out of the 'rebranding' process?

Answer

The work has been jointly commissioned by the two Universities, Business Improvement District, Cultural Development Trust, Associated British Ports and the City Council, with an aim of maximising the value of the substantial collective marketing spend of these organisations through an agreed common approach and narrative for the City. The 'branding' is the first stage of a process which will also involve the agreement of a Destination Management Plan for Southampton to attract increased visitors, inward investment, businesses and students, with associated economic benefits. In addition, funding organisations require evidence of local collaboration for the Visitor Economy, and this new approach



has already yielded a successful partnership bid, led by Southampton City Council, for £250,000 to increase visitors to the City from the cruise industry.

## 27. MOTIONS

(a) The state of Southampton's roads

Councillor Galton moved Councillor Fuller seconded:

The Council acknowledges that the state of Southampton's roads and pavements falls below that expected by many of our residents.

In light of this, the council will commit to review its current defect intervention levels, with a view to expanding the criteria of defect repaired within both the 24 hour and 28 day periods.

The council will also review its policy on city and district centre paving to ensure these high footfall areas are repaired more swiftly to protect residents and support businesses.

Amendment moved by Councillor Rayment and Councillor Furnell seconded:

At the end of the first paragraph **add** "and that this is an important priority for them."

**Add** a new second paragraph that reads: "The Council, therefore, warmly welcomes this administration's commitment of over £30.5 million capital investment into the City's road, footway and cycleway maintenance in 2017/18 and current financial year – more than five times the amount invested in 2012/13."

Final paragraph, first line **delete** 'will also review its' and **replace** with 'supports efforts to improve the pothole standards and we are reviewing its current defect intervention levels, with a view to expanding the criteria of defect repaired within both the 24 hour and 28 day periods.'

Final paragraph, second line **delete** 'to protect residents and support businesses.'

### **Amended Motion to read:**

The Council acknowledges that the state of Southampton's roads and pavements falls below that expected by many of our residents and that this is an important priority for them.

The Council, therefore, warmly welcomes this administration's commitment of over £30.5 million capital investment into the City's road, footway and cycleway maintenance in 2017/18 and current financial year – more than five times the amount invested in 2012/13.

The Council supports efforts to improve the pothole standards and we are reviewing its current defect intervention levels, with a view to expanding the criteria of defect repaired within both the 24 hour and 28 day periods. The Council has a clear policy on city and district centre paving to ensure these high footfall areas are repaired more swiftly.

UPON BEING PUT TO THE VOTE THE AMENDMENT IN THE NAME OF COUNCILLOR GALTON WAS DECLARED LOST.

UPON BEING PUT TO THE VOTE THE AMENDMENT IN THE NAME OF COUNCILLOR RAYMENT WAS DECLARED CARRIED.

UPON BEING PUT TO THE VOTE THE AMENDED MOTION WAS DECLARED CARRIED.

**RESOLVED** that the amended motion be approved.

(b) 70<sup>th</sup> Birthday of the National Health Service

Councillor Bogle moved Councillor Leggett seconded:

This Council celebrates the 70th birthday of our National Health Service and welcomes the ongoing commitment of the thousands of people who work in these important services in the city.

This Council notes the rising pressures from an aging population and many more people living with complex conditions that is impacting both the NHS and adult social care.

This Council also notes that health outcomes and inequalities in the city are not where we would want them to be.

This Council is committed to working in partnership with all providers in the city to innovate and seek to be a centre of best practice for improving health, care and wellbeing in the country.

This Council is committed to embedding health and wellbeing outcomes in all our policies, and will continue to commit to using all its powers through other determinants of health such as employment, housing and the environment to help improve health outcomes.

UPON BEING PUT TO THE VOTE THE MOTION WAS DECLARED CARRIED.

**RESOLVED** that the motion be approved.

28. QUESTIONS FROM MEMBERS TO THE CHAIRS OF COMMITTEES OR THE MAYOR

It was noted that no requests for Questions from Members to the Chairs of Committees or the Mayor had been received.

29. APPOINTMENTS TO COMMITTEES, SUB-COMMITTEES AND OTHER BODIES

As the Putting People First Group no longer wished to be regarded as a political group on the Council under the Local Government and Housing Act 1989. Accordingly, all 3 sitting councillors had become Independents. As a result the seats they had on

committees were lost and had been reallocated. In addition Councillor Fielker had vacated her seat on Overview and Scrutiny Management Committee and Governance as she had been appointed by the Leader to Cabinet.

**RESOLVED** that Councillors Bell, Kataria and Mitchell be appointed to Overview and Scrutiny Management Committee and Councillor Whitbread to Governance Committee.

### 30. DELIVERING THE COUNCIL STRATEGY

The report of the Leader of the Council was submitted providing an update on activity to deliver the Council Strategy 2016-2020 and an update following the LGA Peer Challenge.

#### **RESOLVED:**

- (i) To approve the key areas of focus within each outcome (Appendix 1)
- (ii) To approve the Executive's Commitments (Appendix 2)
- (iii) To thank the LGA Peer Challenge team for their report (Appendix 3) and accept their recommendations.
- (iv) To note the council's responses to the LGA Peer Challenge recommendations and that actions relating to them have been incorporated into the draft Outcome Plans (Appendix 4).
- (v) To approve the draft Outcome Plans (Appendix 5) and delegate authority jointly to the Interim Deputy Chief Executive and the Service Director, Finance and Commercialisation to finalise and make any further changes to the agreed Outcome Plans, following discussion with Leader and Cabinet.
- (vi) To note the explicit alignment and linkage between Council Strategy, Medium Term Financial Strategy, Workforce Development Strategy, Customer Strategy and the Digital Strategy as shown in Appendix 6.

### 31. JOINT AIR QUALITY UNIT (JAQU), CLEAN AIR ZONE EARLY MEASURES FUND

The report of the Cabinet Member for Environment and Transport was submitted seeking approval for funding awarded to Southampton City Council and the DfT's Joint Air Quality Unit (JAQU).

**RESOLVED** to approve expenditure of the full £2,116,677 (£1,731,677 from the Government's Clean Air Zone Early Measures Fund and £385,000 from the Council's LTP Capital budget) by the end of 2018/19 for the delivery of cycle infrastructure and promotional activities, Legible Cycle network wayfinding signage, marketing and communications work linked to the promotion of cycling and the National Clean Air Day and feasibility and design work for cycle route development in the east of the New Forest District linked to Southampton.

### 32. CORPORATE PARENTING ANNUAL REPORT 2017/18

The report of the Cabinet Member for Children's Social Care detailing the Corporate Parenting Annual Report 2017/18 was noted.

33. GENERAL FUND & HOUSING REVENUE ACCOUNT REVENUE OUTTURN 2017/18

The report of the Cabinet Member for Finance was submitted summarising the overall General Fund and Housing Revenue Account revenue outturn for 2017/18.

**RESOLVED** to:

- (i) Note the final General Fund outturn for 2017/18 detailed in paragraph 6 is a balanced position following the transfer to earmarked reserves and the revenue grants reserve;
- (ii) note that the level of General Fund balances at 31 March 2018 was £11.3M;
- (iii) note the performance of individual Portfolios in managing their budgets as set out in paragraph 6 and 7 of this report and notes the significant variances in Appendix 1;
- (iv) note the accounts for the Collection Fund in 2017/18 as detailed in paragraphs 27 to 33 and in Appendix 3;
- (v) note the HRA revenue outturn for the financial year 2017/18, as set out in Appendices 4 and 5;
- (vi) note the performance of the Property Investment Fund (PIF) as detailed in paragraphs 20 to 23 and appendix 6.

34. GENERAL FUND AND HOUSING REVENUE ACCOUNT CAPITAL PROGRAMME OUTTURN 2017/18

The report of the Cabinet Member for Finance was submitted outlining the General Fund and Housing Revenue Account capital outturn position for 2017/18 and seek approval for the proposed financing of the expenditure.

**RESOLVED** to:

- (i) note the actual capital spending in 2017/18 as shown in paragraphs 3 to 5 and notes the major variances detailed in paragraphs 9 to 89 and Appendix 1;
- (ii) notes the revised estimates for 2018/19, adjusted for slippage and re-phasing and additions contained within this report, as shown in Appendix 2;
- (iii) notes the proposed capital financing in 2017/18 as shown in paragraph 6;
- (iv) notes that the capital programme remains fully funded up to 2021/22 based on the latest forecast of available resources although the forecast can be subject to change; most notably with regard to the value and timing of anticipated capital receipts and the use of prudent assumptions of future government grants to be received;
- (v) approve the addition and spend of £0.07M in 2018/19 to the Communities, Culture & Leisure programme; to be funded from grants. As detailed in paragraph 96;
- (vi) approve the addition and spend of £0.80M in 2018/19 to the Education & Children's Social Care programme; to be funded from government grant. As detailed in paragraph 97;
- (vii) approve the addition and spend of £0.05M, £0.04M in 2017/18 and £0.01M in 2018/19 to the Environment & Transport – City Services programme; to be funded from S106 contributions. As detailed in paragraphs 98 and 99;

- (viii) approve the addition and spend of £0.44M in 2018/19 to the Finance programme; to be funded from council resources. As detailed in paragraph 100;
- (ix) approve the addition and spend of £0.20M in 2018/19 to the Leaders programme; to be funded from capital receipts. As detailed in paragraph 101;
- (x) approve the addition and spend of £1.87M in 2018/19 to the Transport programme; to be funded £1.73M from government grants and £0.14M council resources. As detailed in paragraphs 102 and 103;
- (xi) approve the addition and spend of £4.50M in 2018/19 to the HRA programme; to be funded from MRA and council resources. As detailed in paragraphs 104 and 105 and appendix 2;
- (xii) note the addition of £0.24M to the programme since the last reported position in February 18, under delegated powers. As detailed in paragraph 109 and Appendix 3;
- (xiii) approve the revised General Fund Capital Programme, which totals £196.46M (as detailed in paragraph 107) and the associated use of resources (as detailed in paragraph 110).
- (xiv) Approve the revised HRA Capital Programme, which totals £216.89M (as detailed in paragraph 114) and the associated use of resources (as detailed in paragraph 117).

35. REVIEW OF PRUDENTIAL LIMITS AND TREASURY MANAGEMENT OUTTURN 2017/18

The report of the Cabinet Member for Finance was submitted to inform Council of the Treasury Management activities and performance for 2017/18 against the approved Prudential Indicators for External Debt and Treasury Management.

**RESOLVED** to note that:

- (i) borrowing activities had been undertaken within the borrowing limits approved by Council on 21 February 2018;
- (ii) current Investment strategy is to continue to diversify into more secure and/or higher yielding asset classes and move away from the increasing risk and low returns gained from short term unsecured bank investments. Returns during 2017/18 were £1.41M at an average rate of 3.73%;
- (iii) the Council's strategy was to minimise borrowing to below its Capital Financing Requirement (CFR), the difference representing balances, reserves, provisions and working capital. This approach lowers interest costs, reduces credit risk and relieves pressure on the Council's counterparty list. Throughout the year, capital expenditure levels, market conditions and interest rate levels were monitored to minimise borrowing costs over the medium to longer term and to maintain stability;
- (iv) the differential between debt costs and investment earnings continued to be acute, resulting in the use of internal resources in lieu of borrowing often being the most cost effective means of financing capital expenditure. As a result the average rate for repayment of debt, (the Consolidated Loans & Investment Account Rate – CLIA), at 3.31%, is lower than that budgeted and slightly lower than last year (3.33%). This includes £30M of short term debt which was taken during the year. No new long term loans were taken during the year due to slippage in the capital programme and higher than expected

balances. The predicted forecast rate for longer term debt is already showing a steady increase. It is likely that any new long term borrowing will be taken out above this rate, leading to an increase in the CLIA rate. In line with the current Treasury Strategy it is the intention to continue to borrow in the short term markets during 2018/19 to take further advantage of the current interest environment;

- (v) in achieving interest rate savings the Council is exposed to interest rate risk by taking out variable debt. This was and continues to be very financially favourable in current markets but does mean that close monitoring of the markets is required to ensure that the Council can act quickly should the situation begin to change;
- (vi) net loan debt decreased during 2017/18 from £278M to £254M (£24M) as detailed in paragraph 14; and
- (vii) there has been full compliance with the Prudential Indicators approved by Full Council on 21 February 2018.

36. EXCLUSION OF THE PRESS AND PUBLIC - CONFIDENTIAL PAPERS INCLUDED IN THE FOLLOWING ITEM

**RESOLVED** that in accordance with the Council's Constitution, specifically the Access to Information Procedure Rules contained within the Constitution, the press and public be excluded from the meeting in respect of any consideration of the confidential report referred to in minute number 37 below.

Report and appendix are considered to be confidential, the confidentiality of which is based on

- Information relating to the financial or business affairs of any particular person (including the authority holding that information) (paragraph 3)
- Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings (paragraph 5)
- Information which is subject to any obligation of confidentiality (paragraph 7A)

If the content of this report were to be treated as a public document it would reveal information that is both commercially sensitive and detrimental to the business affairs of the Council.

37. FUTURE OF STRATEGIC SERVICES PARTNERSHIP

The confidential report of the Leader of the Council was submitted detailing the future of the Strategic Services Partnership.

**RESOLVED** that:

- (i) the Council terminates the Strategic Services Partnership contract with Capita by exercising its right under clause 51 of the contract dated 20 August 2007 to terminate for convenience;
- (ii) the Chief Executive is given delegated authority, after consultation with the Leader of the Council, to make the necessary arrangements for service of the termination notice on Capita;

- (iii) the services covered by the Strategic Services Partnership are brought back in-house by the end of the notice period so that they are then fully subject to Cabinet decision-making and under direct management control of senior council officers;
- (iv) the Chief Executive is given delegated authority, after consultation with the Leader of the Council, to undertake and conclude all negotiations with Capita that are necessary to give effect to the resolution to terminate the contract;
- (v) the Service Director for Digital and Business Operations establishes consultative arrangements including Members and trade unions to support the successful implementation of the project to transfer services back to the council;
- (vi) the amendments to the Council General Fund Revenue Budgets detailed in the financial implications in Appendix 2 are approved; and
- (vii) the Service Director for Finance and Commercialisation is given delegated authority, after consultation with the Cabinet Member for Finance and the Service Director Legal and Governance, to implement any changes to budgets and take all consequential actions required to implement the decision and subsequent negotiations.

### 38. LOCAL AUTHORITY TRADING COMPANY FOR SOME COUNCIL SERVICES

The report of the Leader of the Council was submitted recommending that the Council note and discuss the proposals relating to the establishment of a Local Authority Trading Company for Some Council Services that is scheduled for consideration at the 18<sup>th</sup> July meeting of Council.

#### **RESOLVED:**

- (i) To consider and take into account the outcome of the Best Value Consultation undertaken in fulfilment of s.3(2) Local Government Act 1999;
- (ii) To consider and take into account the outcome of the staff consultation and the ballots carried out by the recognised Trade Unions in relation to the establishment of a LATCo;
- (iii) Having considered (i) and (ii) above, as well as the contents of this report, to
  - (a) endorse the temporary postponement of the formal establishment of the LATCo as a company limited by shares;
  - (b) support the continued implementation of Business Academy workshops and the commercialisation of Council services; and
  - (c) endorse the development and implementation of a trading capability within the Council in support of practical application of (b) above, until such time that a recommendation for the formation of a company limited by shares (LATCo) is brought back to Council for its consideration and endorsement;
- (iv) To delegate authority to the Chief Executive, following consultation with the Leader of the Council, to take all the necessary steps required for developing and implementing a trading capability within the Council as a pre-cursor to a LATCo.