

COUNCIL MEETING

Wednesday, 21st November,
2018 at 2.00 pm

Council Chamber - Civic Centre

This meeting is open to the public

Members of the Council

The Mayor – Chair

The Sheriff – Vice-chair

Leader of the Council

Members of the Council (See overleaf)

Contacts

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WARD	COUNCILLOR	WARD	COUNCILLOR
Bargate	Bogle Noon Dr Paffey	Millbrook	Furnell Galton Taggart
Bassett	Hannides B Harris L Harris	Peartree	Bell Houghton Keogh
Bevois	Barnes-Andrews Kataria Rayment	Portswood	Claisse Mitchell Savage
Bitterne	Jordan Murphy Streets	Redbridge	McEwing Pope Whitbread
Bitterne Park	Fuller Harwood White	Shirley	Chaloner Coombs Kaur
Coxford	Morrell D Thomas T Thomas	Sholing	J Baillie Guthrie Wilkinson
Freemantle	Leggett Parnell Shields	Swaythling	Fielker Mintoff Vassiliou
Harefield	P Baillie Fitzhenry Laurent	Woolston	Mrs Blatchford Hammond Payne

PUBLIC INFORMATION

Role of the Council

The Council comprises all 48 Councillors. The Council normally meets six times a year including the annual meeting, at which the Mayor and the Council Leader are elected and committees and sub-committees are appointed, and the budget meeting, at which the Council Tax is set for the following year.

The Council approves the policy framework, which is a series of plans and strategies recommended by the Executive, which set out the key policies and programmes for the main services provided by the Council. It receives a summary report of decisions made by the Executive, and reports on specific issues raised by the Overview and Scrutiny Management Committee. The Council also considers questions and motions submitted by Council Members on matters for which the Council has a responsibility or which affect the City.

PUBLIC INVOLVEMENT

Questions:- People who live or work in the City may ask questions of the Mayor, Chairs of Committees and Members of the Executive. (See the Council's Constitution ref Part 4 Council Procedure Rules 10.8)

Petitions:- At a meeting of the Council any Member or member of the public may present a petition which is submitted in accordance with the Council's scheme for handling petitions. Petitions containing more than 1,500 signatures (qualifying) will be debated at a Council meeting. (See the Council's Constitution ref Part 4 Council Procedure Rules 10.1)

Representations:- At the discretion of the Mayor, members of the public may address the Council on any report included on the agenda in which they have a relevant interest. Any member of the public wishing to address the meeting should advise the Democratic Support Officer (DSO) whose contact details are on the front sheet of the agenda.

Deputations:- A deputation of up to three people can apply to address the Council. A deputation may include the presentation of a petition. (See the Council's Constitution ref Part 4 Council Procedure Rules 10.7)

MEETING INFORMATION

Use of Social Media:- The Council supports the video or audio recording of meetings open to the public, for either live or subsequent broadcast. However, if, in the Chair's opinion, a person filming or recording a meeting or taking photographs is interrupting proceedings or causing a disturbance, under the Council's Standing Orders the person can be ordered to stop their activity, or to leave the meeting. By entering the meeting room you are consenting to being recorded and to the use of those images and recordings for broadcasting and or/training purposes. The meeting may be recorded by the press or members of the public.

Any person or organisation filming, recording or broadcasting any meeting of the Council is responsible for any claims or other liability resulting from them doing so.

Details of the Council's Guidance on the recording of meetings is available on the Council's website.

Mobile Telephones – Please switch your mobile telephones to silent whilst in the meeting.

The Southampton City Council Strategy (2016-2020) is a key document and sets out the four key outcomes that make up our vision.

- Southampton has strong and sustainable economic growth
- Children and young people get a good start in life
- People in Southampton live safe, healthy, independent lives
- Southampton is an attractive modern City, where people are proud to live and work

Access – Access is available for disabled people. Please contact the Council Administrator who will help to make any necessary arrangements

Smoking policy – The Council operates a no-smoking policy in all civic buildings

Fire Procedure – In the event of a fire or other emergency, a continuous alarm will sound and you will be advised by Council officers what action to take.

Proposed dates of meetings (Municipal year 2018/19)	
2018	2019
18 July	20 February (Budget)
19 September	20 March
21 November	15 May (AGM)

CONDUCT OF MEETING

FUNCTIONS OF THE COUNCIL

The functions of the Council are set out in Article 4 of Part 2 of the Constitution

RULES OF PROCEDURE

The meeting is governed by the Council Procedure Rules as set out in Part 4 of the Constitution.

BUSINESS TO BE DISCUSSED

Only those items listed on the attached agenda may be considered at this meeting.

QUORUM

The minimum number of appointed Members required to be in attendance to hold the meeting is 16.

DISCLOSURE OF INTERESTS

Members are required to disclose, in accordance with the Members' Code of Conduct, **both** the existence **and** nature of any "Disclosable Pecuniary Interest" or "Other Interest" they may have in relation to matters for consideration on this Agenda.

DISCLOSABLE PECUNIARY INTERESTS

A Member must regard himself or herself as having a Disclosable Pecuniary Interest in any matter that they or their spouse, partner, a person they are living with as husband or wife, or a person with whom they are living as if they were a civil partner in relation to:

- (i) Any employment, office, trade, profession or vocation carried on for profit or gain.
- (ii) Sponsorship: Any payment or provision of any other financial benefit (other than from Southampton City Council) made or provided within the relevant period in respect of any expense incurred by you in carrying out duties as a member, or towards your election expenses. This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.
- (iii) Any contract which is made between you / your spouse etc (or a body in which the you / your spouse etc has a beneficial interest) and Southampton City Council under which goods or services are to be provided or works are to be executed, and which has not been fully discharged.
- (iv) Any beneficial interest in land which is within the area of Southampton.
- (v) Any license (held alone or jointly with others) to occupy land in the area of Southampton for a month or longer.
- (vi) Any tenancy where (to your knowledge) the landlord is Southampton City Council and the tenant is a body in which you / your spouse etc has a beneficial interests.
- (vii) Any beneficial interest in securities of a body where that body (to your knowledge) has a place of business or land in the area of Southampton, and either:
 - a) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body, or
 - b) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which you / your spouse etc has a beneficial interest that exceeds one hundredth of the total issued share capital of that class.

Other Interests

A Member must regard himself or herself as having an, 'Other Interest' in any membership of, or occupation of a position of general control or management in:

Any body to which they have been appointed or nominated by Southampton City Council

Any public authority or body exercising functions of a public nature

Any body directed to charitable purposes

Any body whose principal purpose includes the influence of public opinion or policy

Principles of Decision Making

All decisions of the Council will be made in accordance with the following principles:-

- proportionality (i.e. the action must be proportionate to the desired outcome);
- due consultation and the taking of professional advice from officers;
- respect for human rights;
- a presumption in favour of openness, accountability and transparency;
- setting out what options have been considered;
- setting out reasons for the decision; and
- clarity of aims and desired outcomes.

In exercising discretion, the decision maker must:

- understand the law that regulates the decision making power and gives effect to it. The decision-maker must direct itself properly in law;
- take into account all relevant matters (those matters which the law requires the authority as a matter of legal obligation to take into account);
- leave out of account irrelevant considerations;
- act for a proper purpose, exercising its powers for the public good;
- not reach a decision which no authority acting reasonably could reach, (also known as the "rationality" or "taking leave of your senses" principle);
- comply with the rule that local government finance is to be conducted on an annual basis. Save to the extent authorised by Parliament, 'live now, pay later' and forward funding are unlawful; and
- act with procedural propriety in accordance with the rules of fairness.

Service Director, Legal and Governance
Richard Ivory
Civic Centre, Southampton, SO14 7LY

Tuesday, 13 November 2018

TO: ALL MEMBERS OF THE SOUTHAMPTON CITY COUNCIL

You are hereby summoned to attend a meeting of the COUNCIL to be held on WEDNESDAY, 21ST NOVEMBER, 2018 in the COUNCIL CHAMBER CIVIC CENTRE at 2:00pm when the following business is proposed to be transacted:-

1 APOLOGIES

To receive any apologies.

2 MINUTES (Pages 1 - 14)

To authorise the signing of the minutes of the Council Meeting held on 19th September, 2018, attached.

3 ANNOUNCEMENTS FROM THE MAYOR AND LEADER

Matters especially brought forward by the Mayor and the Leader.

4 DEPUTATIONS, PETITIONS AND PUBLIC QUESTIONS

To receive any requests for Deputations, Presentation of Petitions or Public Questions.

The following petition has been received which under the Council's Procedure Rules for qualifying petitions must be debated at Council:

Save Council owned care homes: Glen Lee and Holcroft House. We the undersigned petition the Council to abandon its proposals to close the last two Council owned residential care homes: Glen Lee and Holcroft House and place up to 85 loyal care staff at risk of redundancy.

5 EXECUTIVE BUSINESS REPORT (Pages 15 - 22)

Report of the Leader, Clean Growth and Development, attached.

6 MOTIONS

(a) Councillor McEwing to move:

This Council notes:

1. The obligations its owes to the Armed Forces community within Southampton City Council as enshrined in the Armed Forces Covenant; that the Armed Forces community should not face disadvantage in the provision

of services and that special consideration is appropriate in some cases, especially for those who have given the most.

2. The absence of definitive and comprehensive statistics on the size or demographics of the Armed Forces community within Southampton City Council. This includes serving Regular and Reserve personnel, veterans, and their families.
3. That the availability of such data would greatly assist the Council, local partner agencies, the voluntary sector, and national Government in the planning and provision of services to address the unique needs of the Armed Forces community within Southampton City Council.

In light of the above, this Council moves to support and promote The Royal British Legion's call to include a new topic in the 2021 census that concerns military service and membership of the Armed Forces community. We further call upon the UK Parliament, which will approve the final census questionnaire through legislation in 2019, to ensure that the 2021 census includes questions concerning our Armed Forces community.

7 QUESTIONS FROM MEMBERS TO THE CHAIRS OF COMMITTEES OR THE MAYOR

To consider any question of which notice has been given under Council Procedure Rule 11.2.

8 APPOINTMENTS TO COMMITTEES, SUB-COMMITTEES AND OTHER BODIES

To deal with any appointments to Committees, Sub-Committees or other bodies as required.

9 APPOINTMENT OF CHIEF EXECUTIVE AND HEAD OF PAID SERVICES

Following interviews taking place on 15th November, 2018 to approve the appointment of Chief Executive and Head of Paid Service.

10 MEMBERS' ALLOWANCE SCHEME (Pages 23 - 44)

Report of the Director of Legal and Governance seeking to review Members' Allowances, having regard to the recommendations of the Independent Remuneration Panel.

11 ADOPTION OF GAMBLING ACT 2005 LICENSING PRINCIPLES (Pages 45 - 94)

Report of the Service Manager for Licensing seeking approval to the adoption of the Gambling Act 2005 Licensing Principles.

12 ADDITION OF FUNDS TO HIGHWAYS CAPITAL PROGRAMME (Pages 95 - 100)

Report of the Cabinet Member for Transport and Public Realm detailing the additional funds to the Highways Capital Programme.

13 PURCHASE OF NEW REFUSE COLLECTION VEHICLES □ (Pages 101 - 104)

Report of the Cabinet Member for Transport and Public Realm seeking approval for £2.9million capital funding to enable the purchase of 17 Refuse Collection Vehicles.

14 TOWNHILL PARK INFRASTRUCTURE FUND AND FUTURE PROGRAMME □
(Pages 105 - 110)

Report of the Cabinet Member for Homes and Culture detailing the Housing Infrastructure Fund Offer and commitment to future delivery of the regeneration scheme.

15 REVIEW OF PRUDENTIAL LIMITS AND TREASURY MANAGEMENT MIDYEAR REVIEW 2018/19 (Pages 111 - 134)

Report of the Director Finance and Commercialisation providing an overview of the Treasury Management (TM) activities and performance for 2018/19 against the approved Prudential Indicators for External Debt and Treasury Management.

16 OVERVIEW AND SCRUTINY - SUMMARY OF CALL-IN ACTIVITY

To note that there has been no use of the Call-In procedure since last reported to Council.

NOTE: There will be prayers by the Rev. David Deboys and the Mayor's Chaplain John Attenborough in the Mayor's Reception Room at 1.45 pm for Members of the Council and Officers who wish to attend.



Richard Ivory
Director of Legal and Governance

SOUTHAMPTON CITY COUNCIL

MINUTES OF THE COUNCIL MEETING HELD ON 19 SEPTEMBER 2018

Present:

The Mayor, Councillor Barnes-Andrews
The Sheriff, Councillor P Baillie
Councillors Bell, Mrs Blatchford, Bogle, Chaloner, Claisse, Fielker,
Fitzhenry, Fuller, Furnell, Galton, Galton, Guthrie, Hammond, Hannides,
B Harris, L Harris, Harwood, Houghton, Jordan, Kataria, Kaur, Keogh,
Laurent, Leggett, McEwing, Mintoff, Mitchell, Morrell (minutes 39 - 44 (d)
and 48), Murphy, Noon, Dr Paffey, Payne, Pope, Rayment, Savage, Shields,
Streets, Taggart, D Thomas (minutes 39 - 44 (d) and 48), T Thomas
(minutes 39 - 44 (d) and 48), Vassiliou, Whitbread, White and Wilkinson

39. APOLOGIES

It was noted that apologies had been received from Councillors J Baillie, Coombs and Parnell.

40. MINUTES

RESOLVED: that the minutes of the meeting held on 18th July 2018 be approved and signed as a correct record.

41. ANNOUNCEMENTS FROM THE MAYOR AND LEADER

- (i) The Mayor announced that, Fairisle Junior School are one of just three schools in Southampton that were awarded the STARS Gold Award for Sustainable Travel at the end of last term.

Modeshift STARS is the national schools awards scheme that had been established to recognise schools that have demonstrated excellence in supporting cycling, walking and other forms of sustainable travel.

The Gold Award requires schools to sustain commitment to active travel initiatives over a prolonged period. One of the most significant achievements, and an essential element of the award, is that the school must reduce car usage amongst parents and carers by 5% during a three year period. This helps to ease congestion and improve local air quality around the school site, thereby encouraging more pupils and families to walk, scoot and cycle to school.

The school has undertaken a wide range of activities with pupils, parents and local residents including:

- Travel Tracker- the school records pupils' mode of travel on a daily basis and rewards those who travel actively with badges and resources.
- Walk to School Week

- A child-friendly street project with SCC and Sustrans.
- Staff and pupils organised a road closure and held a street party outside school to trial street furniture and traffic-calming measures. This provided an opportunity for engagement with local residents.
- The school arranged for a HGV to visit the school in order to demonstrate blind spots and road safety issues for cyclists. This session received excellent feedback from pupils and parents.

The Active Travel ethos is embedded across the school and supported by the Leadership team. Even the termly prize for best attendance is active-travel related - last term's prize was a bike! The School Travel champion ensures that links between active travel and other areas of school life are connected. Southampton City Council's School Travel Team presented the school with a Golden Rose to commemorate their Gold achievement. The rose was planted by the Head Boy and Head Girl outside main reception area and is cared for by pupils in the gardening club.

We welcome Learning Leader pupils from Fairisle Junior School who are here today to tell us more about how they achieved their fantastic award and what they have planned for the future.

Thank you for your presentation, I would like to invite the Head Girl and Boy to come forward and receive their Gold STARS certificate and plaque.

- (ii) The Mayor announced that on the 5th September Councillor McEwing and Sharon Carroll (a current SCC employee and Reservist for 106 Royal Artillery Regiment) attended an award ceremony at Victory Museum, Portsmouth to receive a Silver Award from the Ministry of Defence Employer Recognition Scheme. The award confirms the Council's growing commitment to ensure that serving and former Armed Forces personnel and their families are supported and receive opportunities during their employment with the Council.
- (iii) The Leader announced the appointment of Cllr Leggett to the Cabinet as the Portfolio Holder for Green City.

42. DEPUTATIONS, PETITIONS AND PUBLIC QUESTIONS

- (i) The Council received and noted a deputation from Mr Alex Williamson concerning Wave Trust 70/30 Campaign;
- (ii) The Council received and noted a deputation from Ms Amanda Guest and Ms Lisa Stead concerning Kentish Road Respite Centre.

43. 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. Contract Confidence

According to the Council's own internal reports, the Capita Contract was performing well. Now it has been cancelled by the Labour Administration. How can the public have confidence in any other contracts the Council has with providers like Capita, when the Council claims they are performing well and hides poor performance behind claimed "confidentiality"?

Answer

The Council is bringing the services delivered under the contract back in-house to ensure that we have full control and flexibility over these critical services going forward. This will enable these services to be managed in full alignment with the Council's strategy and eliminate the administrative, commercial and legal constraints presented by the contract.

2. Recording Meetings

The minutes of Full Council, according to Democratic Services, do not record proceedings, only resolutions. This excludes important actions taken by opposition councillors in holding the Executive to account. The minutes even exclude questions of concern asked to officers of the Council or that even questions were asked of members of the Executive. They even exclude reports and concerns expressed about courses of action being taken by the Executive, including on controversial and/or costly expenditure. This could be resolved by recording Full Council meetings, whether by audio or video means, as is done in other councils in Hampshire (e.g. Basingstoke and Deane and Hampshire County councils). Will you commit to begin these recordings by the end of 2018?

Answer

The Council's minutes are brief notes of the proceedings at any formal decision making meeting that, in particular, record the decision made by members not the debate. Minutes can take whatever form is preferred by an individual authority and styles vary but the Council's approach has served the Council well over many years. There is no merit in a verbatim written report being produced and the Council's approach follows the practice followed by the majority of Councils. The most important and overarching element is that the decision is accurately recorded.

Minutes are not designed to be used as records of political debate. Officers have explored the possibility of web-camming or streaming meetings, the technology is available on the market, but is costly and from the experience of the few others who do the hits are very few.

3. Arts Complex – Expenditure

How much total Council money has been spent on the Arts Complex since its inception, how much additional money has been spent on the Arts Complex

since you became responsible for it, and when will the taxpayer get this money back?

Answer

The total project spend to the end of August 2018 is £19,958,722.

Since April 2016, the spend has been £14,223,304.

Since opening, Studio 144 has attracted 18,000 visits to the John Hansard gallery and over 55,000 visits to NST City, these are visitors who are welcomed into the City enhancing its reputation, spending money on parking, refreshments and in local shops. The productions and exhibitions have been acclaimed on a national scale and are contributing significantly to our visitor economy. This combined with the business rates and council tax receipts mean that the City is already reaping the benefits of Studio 144.

4. Fire Safety Works

Southampton City Council issued a press release on the Anniversary of the Grenfell Tragedy stating a £15 million figure on fire safety works. You have replied to me stating that this figure is not contained in a single document. Please justify the use of the figure, with reference to Council documents.

Answer

The original figure of £15m captures a variety of fire safety improvements for Southampton tenants. Subsequently this project has expanded to enhance the level of protection for those living in high rise blocks. The documents which provide the details of budget approvals and updates has been provided separately to Cllr Pope as part of an earlier query on this subject.

5. Fire Safety Expenditure

When I asked you at July 2018 Full Council under Executive Business how much money was being spent on Fire Safety, you said £25 million - not £15 million. Please justify the use of the figure, with reference to Council documents, and the differences in expenditure with the £15 million figure referenced above.

Answer

The £25m figure represents the most recent estimated total cost of works that will improve fire safety for Southampton tenants. During the course of the project the scope changed as opportunities to undertake further fire safety works were identified and subsequently included. Part of the reason for the increase is that we have identified additional works that could be brought forward, which is a more cost-efficient way to deliver the project and delivers greater benefits upfront.

6. Clean Air Zone

The proposals for a Clean Air Zone by this Labour Administration and Conservative Government claim that HGVS, taxis and buses will be charged but private cars and vans will not.

How will this proposal improve air quality significantly when the Council's own figures show that HGVs, taxis and buses are a relatively small proportion of polluters?

As the Council's own figures show that private cars and vans are the largest polluters, there is great concern from residents and small businesses that private cars will be included in future. Therefore to protect Southampton residents and small businesses, will you commit now that private cars and vans will never be included by this Council in any Clean Air Zone?

Answer

The objective of the CAZ is to deliver compliance with EU NO₂ limit value. Government expect our proposal for a CAZ to comply with the national framework and to be proportionate. That means we are expected to consider each of the classes of CAZ in the national framework from A to D until we find the one which is likely to deliver compliance in the shortest possible time whilst not introducing costs that might be considered excessive or unnecessary. The evidence to date suggests a class B is likely to achieve compliance without including cars and hence was the preferred option put out for public consultation. If we were to follow the framework and move to class C (include LGV's) or D (include private vehicles) we would be imposing economic costs on a very broad spectrum of businesses and individuals when the specific objective we must achieve has been delivered by a Class B (Busses, Coaches, Taxis and HGV's). For that reason there is no basis to charge cars or vans.

We accept that buses and taxis contribute little to the levels on the A33 and the government's framework is at odds with that. But those are the tools we have been given. However, we are confident that any efforts to improve any of the sectors will have lasting effects on other parts of city.

The council also has a broader Clean Air Strategy and action plan to deliver wider ongoing improvements. There are no plans currently to include cars and vans in any potential charging CAZ.

7. Clean Air Zone – Economic Impact

What assessment have you done on the economic impact of your CAZ proposals? How many jobs will be effected?

Answer

An economic assessment has been undertaken by independent consultants to determine the citywide economic impact. This balances the cost of charges against the benefits which include the economic benefits associated with the operation of newer, cleaner fleets.

We recognise that any change brings challenges to business and that is why we are working on a range of mitigation measures to support businesses if a charging scheme were introduced. That includes assessing the economic impacts on specific stakeholder groups.

Until the assessment is complete and the consultation input considered it would not be appropriate to say what the final economic cost might be or if there is any risk to jobs. That is part of the purpose of the consultation exercise and the assessment to follow.

8. Clean Air Consultation

Who made the decision to initiate the CAZ consultation at such a late stage given you have known the implementation date for several years and the risks of missing the Government's deadlines?

Answer

The Ministerial Direction from government to undertake this assessment was only received in December 2017. The council has acted in advance of this based on versions of the governments National Strategy to reduce Nitrogen Dioxide (which were subsequently removed). The current version of this was published in July 2017.

Despite these challenging timelines and the uncertainty preceding them we have taken actions to deliver a meaningful consultation exercise supported with an appropriate evidence base in a timely manner that is consistent with other CAZ cities. The timing of the local election soon after the Outline Business Case was prepared resulted in the consultation having to be commenced after Purdah, but we remain confident that we can deliver any necessary actions in a timely manner.

9. Class B Charging Zone

Who made the decision to consult on a Class B charging zone and why?

Answer

The technical process (as prescribed by government) identified a Class B charging scheme as the option most likely to meet the primary objective (i.e. compliance with EU nitrogen dioxide levels in the shortest possible time). As such it was identified as the preferred option in accordance with the same prescribed process. The consultation identifies other options including non-charging.

The outcome of the technical assessment was subject to internal scrutiny by council officers and senior managers before inclusion in a consultation package which was presented to both the Cabinet Member for Sustainable Living and then Cabinet for approval.

10. Clean Air Zone Revenue

How much revenue will the proposed Clean Air Zone produce in years 1-3 and how much will the operating costs be?

Answer

A financial model is in development and the costs and revenue will be very much depend on the final form that any implemented charging scheme might take, subject to approval and submission to government of a full business case. The consultation exercise and subsequent technical reassessment will guide this. If a charging scheme were to be proposed for implementation a financial model with capital costs and revenue incomes would be reported as part of the decision making process. Any such proposal will need to demonstrate value for money, will not be funded locally and any revenue it does generate will be ring fenced to delivering clean air initiatives.

11. Clean Air in the City

Does the Cabinet Member stand by her comments at the recent OSMC meeting – that Congestion Charging, Work Place Levies and extending the proposed Clean Air Zone are solutions that the administration are prepared to propose as options to dealing with Clean Air in the City?

Verbal Response at the Meeting

As indicated at the recent OSMC meeting all options for dealing with LTP4 in the City were proposed as part of the consultation process and will be evaluated as part of the response process.

12. Clean Air Zone

Does the Cabinet Member stand by her comments at the July Cabinet meeting, that “if people come back against the proposals we will consider what we will do”?

Verbal Response at the Meeting

The point that was made at the July Cabinet Meeting was that there would be genuine consultation, encouragement for all to participate in the consultation and as part of the response process comments to be listened to, reflected upon and a view reached.

13. Charging Clean Air Zone

Would the Leader be proposing to introduce a charging CAZ if the council did not have a Ministerial Directive to do it?

Verbal Response at the Meeting

There is a legal obligation to conform to the Ministerial Directive, there has been a consultation process and the decision will come forward to a future meeting for implementation.

14. Achieving the Requirements of the Ministerial Directive on Clean Air

What is the Leaders preferred option to achieving the requirements of the Ministerial Directive on clean air?

Answer

The technical assessment that has been conducted in accordance with government guidance is so far suggesting that a Class B CAZ is the option most likely to deliver compliance in the shortest possible time. That will be subject to review and further assessment as part of the due process following consultation which will identify a preferred option to take forward for approval. This will be the option that technically and legally we have most confidence in delivering compliance.

15. Importance of Aspiration

How important is aspiration to the Executive?

Answer

The Executive is highly aspirational for the people of Southampton and endeavours to ensure that from early years, through schools, to post-16 and adult learning contexts, everyone is able to take up a broad range of opportunities they might wish to, in order to develop their skills and make the most of employment opportunities.

The Executive is committed to working with all partners to ensure there is the highest quality of teaching and learning, that enables students of all ages and backgrounds to achieve their full potential in our growing city's economy

16. Input on the School Curriculum

What input does the Executive have on the school curriculum?

Answer

The Executive has no direct control over the curriculum offered by schools provided it meets DfE guidelines. The responsibility for the content and structure of a school's curriculum rests with the Senior Leadership Team and Governors or in the case of a Multi-academy Trust the Board of Trustees.

44. MOTIONS

(a) Councillor Shields moved and Councillor Bogle seconded.

“This Council is alarmed at the continuing financial crisis facing England’s adult and children’s social care systems which – between them account for over half of discretionary spending for upper tier local authorities like Southampton. This crisis is getting worse as a direct consequence of increased demand for Council-commissioned care services due to an ageing population and the negative impact of welfare reforms on vulnerable working age adults and their families. The problem is further compounded by the year-on-year Government reductions in Council finances since 2010 – with places like Southampton, hit particularly hard.

This Council accepts that local authority social care services up and down the country have reached a tipping point with some County Councils – like Northamptonshire, Somerset and West Sussex – facing bankruptcy. Moreover the social care funding crisis also threatens our valued NHS as we celebrate its 70th anniversary. For too long have governments – of all colours – put off meaningful action to address the chronic underfunding of our social care system and we look forward later this year to receiving a (thrice delayed) Government Green Paper on adult social care. We applaud the Local Government Association initiative in producing its own Green Paper for adult social care and wellbeing ‘The Lives We Want to Lead’ and the local response to this by the City’s Health & Wellbeing Board and other partners.

This Council urges the Government to commit to long-term funding for adult social care services along the same lines as for the NHS – i.e. free at the point of need and funded through general taxation. In recognition that a commitment of this magnitude may take time to fully implement, we call on the Government to avert the pending crisis in adult social care (requiring £3.56 billion more by 2025 just to stand still) by ensuring an immediate injection of an extra £2 billion to England’s local authorities in the autumn statement specifically for health and social care. This Council urges the City’s three MPs to make urgent representations to the ministers of state for care and public health (both Hampshire MPs) to ensure that Southampton receives a fair funding deal from Government in order to deliver its statutory care and health responsibilities.”

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

RESOLVED: that the motion be approved.

(b) Councillor Mitchell moved and Councillor McEwing seconded

“This Council notes that Southampton has a relatively high incidence of domestic violence reporting and studies show that once in an unhealthy relationship economic abuse is one of the most common types of abuse faced by the abused partner.

This council believes that the system of paying universal credit to couples via a single household payment, rather than paying benefits to the separate individuals who claim, has the potential to exacerbate this kind of abuse by concentrating power and resources in the hands of a perpetrator.

This council recognizes that this puts individuals at further risk of coercive control and that it may also make it harder for them to leave an abusive relationship knowing they can't put any money aside as a contingency without their abuser noticing.

This council believes that these sorts of barriers for victims of domestic abuse wanting to seek help are unacceptable.

Therefore this council will write to the Secretary of State for Work and Pensions and the Parliamentary Under-secretary of state for crime, safeguarding and vulnerability asking them to rethink this policy and pay non housing elements of universal credit to individual's claimants as standard."

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

RESOLVED: that the motion be approved.

(c) Councillor Galton moved and Councillor Fitzhenry seconded

"This Council acknowledges the need to refocus and present a clear vision, with demonstrable local leadership, to create a clean and green City.

A Council determined to deliver a clean and green city in the quickest possible time would immediately change tack and work with our partners on the premise of incentivisation and not taxation; to produce the most sensible economic and long term sustainable solutions for creating a world class City.

We as a City Council will lead by setting a better example than we currently are; ensuring at every opportunity we take the whole City forward together.

This immediate change in Council approach and direction will be delivered by exploring and implementing innovative solutions such as:

- Getting our city moving - especially by reducing the impact our current traffic light system has on creating local congestion during peak hours.
- Delivering cleaner air through natural filtration and environmental greening across the City.
- A new local Council planning policy to fully recognise air quality in the planning process and ensuring greener development including eco roofs and walls come forward as our City grows and prospers.
- Leading by example by having a cleaner and greener Council fleet and supporting and encouraging businesses to follow our lead.
- Immediately implementing eco driver monitoring for all Council vehicles. Not only will this immediately deliver cleaner air, it will also save the Council money on fuel bills."
- Putting the focus on cleaner and safer residential zones where the pedestrian is a higher priority and traffic speed limits are naturally lower.
- Working with businesses to facilitate a greener modal shift from people to goods.
- Supporting our local taxi trade so that they are a leading example of cleaner travel within our City."

Amendment moved by Councillor Rayment and Councillor Leggett seconded:

First Paragraph, first line **delete** “This Council acknowledges the need to refocus” and **replace with** “This Council presents a clear vision”.

Second Paragraph, first line **after** “A” **insert** “Labour”

Second Paragraph, second line **after** “time” **delete** “would immediately change tack and work” and **replace with** “working with our partners”.

Second Paragraph, second line **delete** “on the premise of incentivisation and not taxation;”

Third Paragraph, first line **after** “by” **delete** “setting a better”, same line **after** “example” **delete** “than we currently are,”.

Fourth Paragraph, first line **after** “This” **delete** “immediate change in Council” **replace with** “Councils”. Same line **delete** “will be delivered by” **replace with** “is about delivering”.

Bullet Point 1 – **delete** “Getting” **replace with** “Keeping” same line **delete** “especially by reducing” **replace with** “by improving”. **After** “the impact” **delete** “our current” **replace with** “of the”. Second line **delete** “has on creating local congestion during peak hours” **replace with** “, with an improved ITS strategy”.

Bullet Point 2 – first line **after** “through” **delete** “natural filtration and environmental greening across the City” and **replace with** “ a greener City by protecting and developing our natural estate which covers 20% of the City.

Bullet Point 3 – first line **delete** “A new local Council” and **replace with** “We are looking at”. **After** “planning policy” **delete** “to fully recognise air quality in” and **replace with** “in how the”. Second line **after** “planning process” **delete** “and ensuring” and **replace with** “ensures”. Third line **after** “walls” **delete** “come forward” and **insert** “along with other initiatives to move us forward”.

Bullet Point 4 – **Before** “Leading” **insert** “We are”

Bullet Point 5 – **Delete**

Bullet Point 6 – **Delete** “Putting the focus on” and **replace with** “As a council we are delivering Active Travel Zones ensuring”. Second line **after** “pedestrian” **delete** “is” and **replace with** “are”. Same line **after** “priority” **delete** “and traffic speed limits are naturally low”

Bullet Point 7 – **Delete** “Working with businesses” and **replace with** “The Access Group are working with businesses and schools along with the University”. Same line **after** “shift” **delete** “from people to goods” and **replace with** “across the City”

Bullet Point 8 – **Before** “Supporting” **insert** “ This Administration acknowledges and is”. Same line **after** “trade” **insert** “and local bus companies”

Amended Motion to Read:

This Council presents a clear vision, with demonstrable local leadership, to create a clean and green City.

A Labour Council determined to deliver a clean and green city in the quickest possible time working with our partners to produce the most sensible economic and long term sustainable solutions for creating a world class City.

We as a City Council will lead by example ensuring at every opportunity we take the whole City forward together.

This Councils approach and direction is about delivering, exploring and implementing innovative solutions such as:

- Keeping our city moving - by improving the impact of the traffic light system, with an improved ITS strategy.
- Delivering cleaner air through a greener City by protecting and developing our natural estate which covers 20% of the City.
- We are looking at planning policy in how the planning process ensures greener development including eco roofs and walls along with other initiatives to move us forward as our City grows and prospers.
- We are Leading by example by having a cleaner and greener Council fleet and supporting and encouraging businesses to follow our lead
- As a council we are delivering Active Travel Zones ensuring cleaner and safer residential zones where the pedestrian are a higher priority.
- The Access Group are working with businesses and schools along with the University to facilitate a greener modal shift across the City.

This Administration acknowledges and is supporting our local taxi trade and local bus companies so that they are a leading example of cleaner travel within our City.”

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.

(d) Councillor Keogh moved and Councillor McEwing seconded.

Council is concerned about the significant decline in the number of apprentice starts since the introduction of the levy in 2017.

Council requests the appropriate Cabinet Member to write a joint letter signed by the Heads of the City's FE Institutions asking for the Government to start an immediate enquiry into why the levy is failing to deliver and what can be done to increase the quality and quantity of apprenticeship starts.

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

RESOLVED: that the motion be approved.

45. 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.

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

Council noted that the following Members had been appointed to “The Future of Work in Southampton” Scrutiny Inquiry Panel:-

Councillors McEwing, Bogle, Coombs, Furnell, Fitzhenry, Guthrie and Laurent.

Council also noted that Cllr Leggett would be replaced on Health Overview Scrutiny Panel by Cllr Payne. Council in accordance with Overview and Scrutiny Management Procedure Rule 3.4.2 approved that Cllr Payne may serve forthwith on Health Overview and Scrutiny Panel and that the firebreak period was accordingly waived.

47. SOCIAL MEDIA POLICY FOR MEMBERS

The report of the Director of Legal and Governance was submitted seeking approval of the proposed Social Media Policy for Members for inclusion into the Council's Constitution.

RESOLVED: that the proposed Social Media Policy for Members be approved and adopted as a core guidance document in conjunction with the Members Code of Conduct.

48. COMMISSIONING SUBSTANCE MISUSE SERVICES FOR ADULTS AND YOUNG PEOPLE IN SOUTHAMPTON

The report of the Cabinet Member for Community and Wellbeing was submitted seeking approval of the financial envelope for the Commissioning Substance Misuse Services for Adults and Young People in Southampton.

RESOLVED: that the financial envelope of up to £20,862,737 for a maximum period of 7 years (5 + 2 years extension when applied to contracts) and maintaining the current level of annual investment be approved.

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Agenda Item 5

DECISION-MAKER:	COUNCIL		
SUBJECT:	EXECUTIVE BUSINESS REPORT		
DATE OF DECISION:	21 NOVEMBER 2018		
REPORT OF:	LEADER OF THE COUNCIL		
<u>CONTACT DETAILS</u>			
AUTHOR:	Name:	Felicity Ridgway – Service Lead - Policy, Partnerships and Strategic Planning	Tel: 023 8083 3310
	E-mail:	felicity.ridgway@southampton.gov.uk	
Director	Name:	Emma Lewis, Service Director – Intelligence, Insight and Communications	Tel: 023 8091 7984
	E-mail:	emma.lewis@southampton.gov.uk	

STATEMENT OF CONFIDENTIALITY	
None	
BRIEF SUMMARY	
This report outlines the executive business conducted since the last Executive Business Report to Full Council on 19 th September 2018.	
RECOMMENDATIONS:	
(i)	That the report be noted.
REASONS FOR REPORT RECOMMENDATIONS	
1.	This report is presented in accordance with Part 4 of the Council's Constitution.
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED	
2.	Not applicable.
DETAIL (Including consultation carried out)	
3.	STRONG AND SUSTAINABLE ECONOMIC GROWTH
4.	It was great to see public and private sector leaders come together on 12 September 2018 at the NST Theatre in Southampton for the Sustainable City Expo to discuss the opportunities for transformation in our towns and cities, as well as the challenges of climate change, waste, sustainable transport and air quality. The agenda included Southampton City Council's future vision for Southampton, as well as local businesses' success stories of how sustainable travel has benefited their workplaces. Key speakers included Steve Quartermain, Chief Planner at The Ministry of Housing, Communities and Local Government, Mike Harris, Interim Deputy Chief Executive at Southampton City Council, and James Cleeton, England Director South at Sustrans, the charity that makes it easier for people to walk and cycle.
5.	It was a great moment when I heard that Southampton is among one of ten cities that have been shortlisted by the Government to receive a share of the £840m

	<p>transport fund. The announcement came after a successful bid from Southampton City Council, with Hampshire County Council, around developing the city's transformative aspirations for transport. The Southampton bid focuses on three key corridors into the city from the surrounding area:</p> <ul style="list-style-type: none"> • Western – A33 Waterside and Totton to Southampton, 58,000 vehicles/day & 12 buses/hour • Northern – A33-A335 Eastleigh to Chandlers Ford to Southampton, 66,000 vehicles/day and 24 buses/hour • Eastern – A334-A3024 Hedge End to Southampton, 33,000 vehicles/day and 25 buses/hour <p>If successful, Southampton City Council will use a share of this funding to help support productivity and growth in the local economy by connecting Southampton with its suburbs and the surrounding towns and villages, reducing congestion and improving air quality.</p>
6.	<p>It is fantastic to see that Southampton City Council is set to lead a Hampshire-wide partnership after securing nearly £2m of funding to deliver a new 'Apprenticeship Hub' in the Solent region. The scheme will raise local employer awareness of the benefits of Apprenticeships in meeting their skills and business needs. The Hub will also support younger people and residents to access Apprenticeships. The scheme will be delivered by the council and its partners (Hampshire Chamber of Commerce, The Association of Learning Providers for Hampshire and the Isle of Wight, EBP South, Portsmouth City Council, Hampshire County Council, Solent University and the University of Portsmouth) over the next three years.</p>
7.	<p>It was fantastic to hear that a partnership led by Southampton City Council is one of a number of projects awarded funding of £250,000 from the Government's £40 million Discover England Fund. The partnership includes Associated British Ports, Southampton Cultural Development Trust, Hampshire County Council, Go! Southampton, Destination Southampton and Destination Plymouth. Together, they will work to develop a range of itineraries for visiting cruise liners that will showcase all the cultural historical attractions in and around the cities of Southampton and Plymouth.</p>
8.	<p>I am pleased to announce that Cogeco Peer 1 has been appointed as the IT system provider at Southampton's new Network co-working space, on the second floor of the Marlands shopping centre. We received numerous submissions as part of the tender process to supply the IT system at Network, providing the backbone for the city's new digital and knowledge based co-worker space. Cogeco Peer 1's application stood out due to their reputation for delivering managed innovative IT Services that span cloud, housing, connectivity and security services.</p>
	<p>CHILDREN AND YOUNG PEOPLE GET A GOOD START IN LIFE</p>
9.	<p>It was fantastic to hear that Southampton Crematorium, which is run by Southampton City Council, has donated £5,000 to Sophie's Appeal. This children's cancer support charity, which operates in the Wessex region, provides cost- and worry-free respite for children and their families suffering from cancer and other life-limiting illnesses. Southampton Crematorium have raised this money from their Institute of Cemetery and Crematorium Management recycling of metals scheme.</p>
10.	<p>I congratulate the five early years settings who have successfully completed seven Healthy Early Years Awards (HEYA), part of a quality programme delivered by</p>

	<p>Southampton City Council and Solent NHS Trust to help improve health and wellbeing in young children. The five recent winners are:</p> <ul style="list-style-type: none"> • Startpoint Sholing Nursery • Chloe Mckell – Childminder • Toni Southwell - Childminder • Kanes Hill Pre-school • Sticky Fingers Newlands
11.	<p>It was great to see pupils from Bitterne Manor Primary School engaging with Southampton's new Air Quality Exhibit and Get Cycle Savvy Pit Stop on 9 October 2018. The school is the first to experience the new portable Air Quality Exhibit designed to educate children across Southampton and Hampshire about the health impact of air pollution. The installation features a set of lungs which respond when users turn various dials to answer travel related questions. The Get Savvy Pit Stop included a free Bike Doctor service and try-a-bike sessions and information about YoBike, the dockless bike sharing scheme available in Southampton.</p>
12.	<p>It was brilliant to see Southampton pupils getting involved in Walktober. Ten primary schools signed up to the scheme, representing 4,500 pupils. The scheme encourages children to walk to school whatever the weather throughout October. Participating schools are given a range of resources to engage pupils and various prizes are on offer for both schools and families taking part.</p>
13.	<p>I was delighted to see that on 12 October 2018 Southampton City Council received a delegation of Chinese education leaders from the city of Jiaozhou in Shandong Province, China. The delegation was led by Mr. Yin Chenwei, General Director of Jiaozhou Municipal Education and Sports Bureau, and included other senior education professionals and head teachers. The visit to Southampton was coordinated by Derek Wiles, Service Lead: Education in partnership with Itchen College, which maintains strong links with schools in different regions in China. The visit laid the groundwork for a future relationship and a great opportunity for both parties to learn how education is different in both China and the UK.</p>
14.	<p>This year Southampton City Council has taken part in the UK Youth Parliament national consultation with young people (aged 11-18), where over 1.1 million voted nationally to make Ending Knife Crime the issue they care most about. Young people in Southampton contributed 13,511 ballots, which was the 15th highest number of votes from an authority in the UK. This amounted to a 69.85% turnout, placing Southampton sixth in the country for the number of young people who voted, which is fantastic news for our young people as it shows they are sharing their voice nationally and locally. Following this, Southampton's MYP took part in the annual sitting of the UK Youth Parliament at the House of Commons, the first time in many years that Southampton has been represented at this important event.</p>
15.	<p>Congratulations to Southampton Music Hub for taking hundreds of the city's pupils, and six coaches of supporters, from Southampton up to the iconic Royal Albert Hall to take part in this year's Music for Youth Proms. The Music Hub also organised a massed rehearsal for all 600 participants at ABP's Mayflower terminal two days before the final event. The Music for Youth Prom celebrates innovative and creative music-making from some of the most energetic, brilliant young musicians from across the UK, and was a truly inclusive and memorable opportunity for every young person who attended. The massed ensemble of 600 young musicians from Southampton, Isle of Wight, Bournemouth and Poole were supported by the Bournemouth Symphony Orchestra as together they played Symphony125 which</p>

	was composed specially for this event. Our brilliant performers received a standing ovation – simply outstanding.
	PEOPLE IN SOUTHAMPTON LIVE SAFE, HEALTHY, INDEPENDENT LIVES
16.	I am pleased to announce that the Care Quality Commission (CPC) has confirmed the award of an ‘Outstanding’ rating for the Urgent Response Service, which provides Rehabilitation and Reablement services for adults in Southampton. The Urgent Response team of 120 support over 140 residents of Southampton at any one time on a short term basis to regain new skills as a result of illness, accident or hospital admissions.
17.	I was pleased to see partners from across the city come together to collectively support the ‘Love Don’t Hate’ campaign led by the Third Party Hate Crime Reporting Network and Spectrum Care for Independent Living CIC. The campaign included posters, social media activity, an item on the Radio Solent Breakfast Show and significant Daily Echo coverage throughout the week.
18.	In Southampton, we are committed to improving mental health and reducing suicide through working with local businesses, the community, voluntary and the social enterprise sector. On 10 September 2018, Southampton City Council, community organisations and charities recognised World Suicide Prevention Day with a number of different events. These included the Youth Forum delivering a mental-health themed session to Year 6 students, Southampton Voluntary Services holding themed stalls and Activities at the Central Baptist Church, and Creative Options organised a series of walks to promote wellbeing.
19.	For World Mental Health Day on 10 October, Southampton City Council’s Public Health and Communications teams worked with Human Resources, Public Health and Central Library staff to promote a Wellbeing Day of activities for the public and council staff using our internal and external channels and to local news media. The staff event opening was attended by approximately 25 staff and subsequent workshops in the day drew between smaller groups of people each.
20.	It was good to see Southampton City Council supporting ‘Stoptober’, Public Health England’s annual smoking cessation campaign with its commissioned partner, Southampton Healthy Living, and Solent NHS, Southern Health and Southampton NHS CCG. ‘Stoptober’ encourages residents to stop smoking for the month, with the goal to quit for life.
21.	I enjoyed hearing about the seasonal launch of Southampton Healthy Homes on 4 October 2018 at Solent University’s Spark building. The launch announced £440,000 of funding from the Warm Homes Fund to support people living in fuel poverty, with Councillor Kaur and Southampton City Council’s Public Health Service Lead Officer, Dr. Debbie Chase, were featured speakers.
22.	It is great to see the work being done across the city to support vulnerable, low-income householders keep warm and well in their homes as we approach winter. Southampton City Council and its partner the Environment Centre have secured £440,000 from the Warm Homes Fund to extend the reach of the Southampton Healthy Homes scheme. Southampton Healthy Homes provides information, advice and guidance to the city’s residents on how they can stay warm and well at home. This includes switching tariffs, help to apply for the Warm Home Discount or deal with fuel debt, benefit checks, support to apply for insulation or heating improvement grants.
	SOUTHAMPTON IS AN ATTRACTIVE AND MODERN CITY WHERE PEOPLE ARE PROUD TO LIVE AND WORK

23.	I was humbled to see 17 Silent Soldier silhouettes appearing all over Southampton to mark the centenary of the end of World War One in 1918. Southampton City Council is one of many local authorities that have made a donation for the statues to the Royal British Legion, who have created the figures as part of their Silent Soldier Campaign as a 'Thank You' to the First World War generation who served, sacrificed, rebuilt and changed the nation.
24.	It was fantastic to see that Southampton hosted the Annual General Meeting of the National Association of the City and Towns Sheriffs of England and Wales during 29-30 September 2018. Southampton is one of only 15 locations across England and Wales that has a Sheriff, directly elected from one of the city's 48 councillors. The meeting consisted of an hour-long walking tour of Southampton, including Sea City Museum, the City Walls, Tudor House and Westgate Hall, as well as the Annual Association dinner, which took place at the Novotel in Southampton.
25.	I applaud the work of Balfour Beatty Living Places, Southampton City Council's Highways Partner, for their excellent work in removing the Castle Way footbridge for restoration, which took place in one night with minimal disruption on 24 September 2018. A time lapse video of the work was posted on our social media channels, and was watched over 35,000 times, generating a huge amount of positivity for our highways work.
26.	It was great to see the promotion of the 15 th annual Recycle Week (24-30 September 2018). Recycling rates in Southampton have increased in recent years, but there's still more to do to get to where we need to be. Southampton City Council is keen to support residents to help them to get their recycling right, so we have been sharing handy information, links, tips and advice on our social and digital media channels during Recycling Week.
27.	<p>Southampton has continued to offer a wide range of interesting, family friendly events to both residents and visitors. Many events were led, facilitated or supported by the council's events team and as well as the ones already referred to above, these have included:</p> <ul style="list-style-type: none"> • 14-23 September – Yachtmarket.com Southampton Boat Show • 15 September – Folkdance Southampton – Morris dancers from around the country took over the city centre for a day of dance • 22 September- 28 October – Giant Observation Wheel returns to the Bargate area, providing spectacular views across the city. • 23 September – Annual Dog Show in St James' Park • 26 September – This Girl Can in Guildhall Square – Festival style day to encourage women to get involved in physical activity. • 29 September – 1 October – Music in the City – Popular free event featuring music in unusual places. • 5-7 October – Comedy Central's Comedy Live! In Hoglands Park and featured comedians including Jimmy Carr • 6 October – Policing through the Ages – An event featuring Police vehicles of the last 100 years in Westquay Esplanade • 26-27 October – Oktoberfest Southampton – Southampton experienced one of the world's most famous Bavarian festivals in Mayflower Park.
A MODERN, SUSTAINABLE COUNCIL	
28.	It is great to hear that £40,327 has been awarded to local community and voluntary organisations with an annual income of up to £250,000 through Southampton City Council's Community Chest Grant. Southampton City Council has increased funding for small grant schemes because it recognises and values the vital role that local

	groups from across the city play in strengthening their communities. A number of organisations received funding, including Monty's Community Hub, Board in the City and Southampton Music Trust.
29.	I was pleased to see that Southampton City Council has been awarded £95,000 from the Department for Transport's 'Connected Vehicles' grant funding to pilot new digital technologies for highways improvements across Southampton. Southampton City Council's highways partner, Balfour Beatty Living Places (BBLP), is fitting the sensors to selected vehicles in the council and BBLP fleets and on Blue Star buses to trail their movements through to March 2019. The devices will scan the city's roads as the vehicles drive, and the data collected will be analysed to provide insight on the future condition of roads. This will enable BBLP to better identify and manage repair needs of our road network.
30.	I was delighted to hear that Southampton has been chosen by CityFibre to benefit from a share of £2.5bn of investment to expand its full fibre network in the city. A full fibre network, delivering ultrafast internet speeds to homes and businesses in Southampton, will stimulate growth of the digital economy, make public services more efficient and underpin our aim of improving the city's digital skills.
RESOURCE IMPLICATIONS	
<u>Capital/Revenue</u>	
31.	None
<u>Property/Other</u>	
32.	None
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
33.	As defined in the report appropriate to each section.
<u>Other Legal Implications:</u>	
34.	None
RISK MANAGEMENT IMPLICATIONS	
35.	None
POLICY FRAMEWORK IMPLICATIONS	
36.	None

KEY DECISION?	No
WARDS/COMMUNITIES AFFECTED:	None
<u>SUPPORTING DOCUMENTATION</u>	
Appendices	
1.	None

Documents In Members' Rooms

1.	None	
Equality Impact Assessment		
Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.		No
Data Protection Impact Assessment		
Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out.		No
Other Background Documents		
Other Background documents available for inspection at:		
Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)	
	None	

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DECISION-MAKER:	COUNCIL		
SUBJECT:	MEMBERS' ALLOWANCE SCHEME		
DATE OF DECISION:	21 NOVEMBER 2018		
REPORT OF:	DIRECTOR OF LEGAL & GOVERNANCE		
<u>CONTACT DETAILS</u>			
AUTHOR:	Name:	Richard Ivory	Tel: 023 8083 2794
	E-mail:	Richard.ivory@southampton.gov.uk	
Director	Name:	Richard Ivory	Tel: 023 8083 2794
	E-mail:	Richard.ivory@southampton.gov.uk	

STATEMENT OF CONFIDENTIALITY	
N/A	
BRIEF SUMMARY	
<p>Under the Local Government (Members' Allowances) (England) Regulations 2003, local authorities are required to have Independent Remuneration Panels for the purpose of reviewing their schemes of Members' allowances. Southampton City Council is required to review its scheme by 19th November 2018 at the latest and have regard to the recommendations of the Independent Remuneration Panel before adoption of a new one.</p>	
RECOMMENDATIONS:	
(i)	To consider the recommendations of the Independent Remuneration Panel as set out in the Panel's report (attached at Appendix 1) and adopt a new scheme with effect from 1 st June 2019
(ii)	To adopt the draft LGA Maternity and Paternity policy and resolve that members of either sex taking advantage of the policy are not compulsorily required to attend meetings as required by Section 85 Local Government Act 1972 ie the "6 month" rule.
(iii)	To thank the members of the Independent Remuneration Panel for their work in reviewing the Members' Allowance Scheme
REASONS FOR REPORT RECOMMENDATIONS	
1.	Under the Local Government (Members' Allowances) (England) Regulations 2003, the Council is required to have an Independent Remuneration Panel review the Members' Allowance Scheme within four years of the date that the Scheme was approved.
2.	Council last reviewed and approved the Members' Allowance Scheme on 19 th November 2014. The Basic and Special Responsibility Allowances have not been revised since the Scheme was last approved.
3.	Council has a duty to have regard to the recommendations of the Independent Remuneration Panel when make or amending the scheme of allowances. However, it is not bound to follow its recommendations.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED	
4.	None. Council is required to approve a Members' Allowance Scheme by 19 th November 2018 in order to comply with the Local Government (Members' Allowances) (England) Regulations 2003.
DETAIL (Including consultation carried out)	
5.	The attached report of the Independent Remuneration Panel details the reasons and rationale for the recommendations made by the Panel.
6.	The Council is required by law to appoint an Independent Remuneration Panel, established for the purpose of considering the Members' Allowances, prior to making any decision to amend, revoke or replace the existing scheme of allowances. The Independent Remuneration Panel which met three times during Autumn 2018, met with members and officers and considered the responses to a members' questionnaire.
<u>Draft Parental Leave Policy</u>	
7.	<p>Members will note the Panel's recommendations on page...of the report regarding parental etc leave. Since the Independent Remuneration Panel met, the Labour LGA group has drafted a model policy for parental etc leave.</p> <p>The LGA Labour Group Women's Taskforce has stated that "As of 2017, only 4 per cent of local authorities had a parental leave policy in place for councillors, and in all other councils, arrangements for leave after the birth of a child is discretionary based on arrangements with the Leader at the time. A parental leave policy will make it easier for parents and councils alike to plan for when councillors take parental leave. Our parental leave policy covers birth and adoption."</p> <p>Accordingly, members may wish to adopt the draft policy attached at Appendix 2 to fulfil this recommendation.</p>
RESOURCE IMPLICATIONS	
<u>Capital/Revenue</u>	
8.	If all the recommendations set out in the report are implemented with a commencement date of 1 st June 2019, this will result in an ongoing annual full year pressure of circa £25,000 from 2019/20. However, this figure will need to be re-calculated if any variation or partial implementation is approved and the budget impact amended accordingly or additional SRAs are created.
<u>Property/Other</u>	
9.	None.
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
10.	Local Government (Members' Allowances) (England) Regulations 2003.
<u>Other Legal Implications:</u>	
11.	None.
RISK MANAGEMENT IMPLICATIONS	
12.	None.
POLICY FRAMEWORK IMPLICATIONS	

13.	None.
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KEY DECISION?	No
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WARDS/COMMUNITIES AFFECTED:	None
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<u>SUPPORTING DOCUMENTATION</u>	
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Appendices	
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1.	Report of the Independent Remuneration Panel
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2.	Draft LGA policy on Parental etc Leave
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Documents In Members' Rooms	
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1.	None
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Equality Impact Assessment	
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Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.	No
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Data Protection Impact Assessment	
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Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out.	No
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Other Background Documents	
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Other Background documents available for inspection at:	
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Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
1.	
2.	

1.		
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2.		
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**A REVIEW OF
MEMBERS' ALLOWANCES
FOR
SOUTHAMPTON CITY COUNCIL**

**REPORT OF THE
INDEPENDENT REMUNERATION PANEL**

4TH & 5TH OCTOBER 2018

**South East Employers
Guildhall
The High Street
Winchester
Hampshire
S023- 9GH**

FOREWORD

This report has been produced for Southampton City Council as part of the Council's requirement to receive independent advice from its statutory advisory panel on members' allowances. The membership of the Panel was Linda Taylor, Managing Director, The Employee Relations Consultancy Limited; Adam Wheeler, Emeritus Professor (Mathematics), University of Southampton (Retired) and Mark Palmer, Development Director, South East Employers.

The Panel would also like to record its gratitude to the members and officers of Southampton City Council who were interviewed or provided information for the Panel's consideration. Additionally, the Panel was supported and assisted throughout by Marijke Elst, Service Lead Democratic and Electoral Services.

Mark Palmer
Chair of the
Independent Remuneration Panel

1. Introduction

A review of the Southampton City Council Members' Allowances Scheme was conducted by the Independent Remuneration Panel at the request of the council in response to the requirement that all Councils are required to convene their Panel and seek its advice before they make any changes or amendments to their members' allowances scheme. The Panel was convened under The Local Authorities' (Members' Allowances) (England) Regulations (SI 1021) ("the 2003 Regulations")

The Panel met on the **4th and 5th October 2018**. The Panel interviewed the following Members and Officers as part of the review (in-order of appearance):

- Councillor Christopher Hammond – Leader, Cabinet Member for Clean Growth & Development
- Councillor Daniel Fitzhenry- Opposition Group Leader, Conservative Group Leader
- Councillor Sharon Mintoff - Labour
- Councillor Andrew Pope – Southampton Independents
- Councillor Peter Baillie- Chair of the Overview and Scrutiny Management Committee
- Councillor John Savage- Chair of Planning and Rights of Way Committee
- Councillor Susan Blatchford- Chair of the Licensing Committee
- Councillor Jacqui Raymond- Deputy Leader, Cabinet Member for Transport & Public Realm
- Councillor Lorna Fielker- Cabinet Member for Adult Social Care
- Councillor Sarah Bogle- Chair of the Health Overview and Scrutiny Panel

2. Terms of Reference

The remit of the Panel was to consider and review the Members' Allowance scheme. The Panel reviewed the Allowance scheme in relation to the following:

- Basic Allowance
- Special Responsibility Allowances (SRA's)
- Allowances for Co-opted and Independent members of the Council committees and panels
- Criteria for travel and subsistence claims that needed to be reviewed.
- Communications allowance including telephone, broadband & mobile communications
- Carers Allowance
- Matters related to the Member Allowance scheme that may be raised during the review process

The Panel requested information from officers to assist the review. Members were invited to give their views to the Panel on the allowance rates, ratios and differentials in the SRA's and other matters they wished to raise.

An online questionnaire was sent to all Members prior to the review and nineteen of the forty-eight Members of the Council completed the questionnaire. A comprehensive analysis of the questionnaire is included as **Appendix 2**.

The Panel took account the following information to support its recommendations:

- Current Members' Allowance Scheme
- The Local Authorities (Members' Allowances) (England) Regulations 2003
- Comparison data with similar unitary Councils regionally and nationally
- The role and responsibilities of the ward Member and those roles attracting an SRA
- The Members Allowance online questionnaire.

- Councillor Census data produced by the Local Government Association (LGA). 2013 Census of Local Authority Councillors
- Labour Market Profile – Southampton, nomis Official Labour Market Statistics, 2018
- South East Employers Members Allowance Survey 2018
- Does Local Government Work for Women? Local Government Commission, July 2017, Fawcett Society
- Living Wage Foundation www.livingwage.org.uk

3. Summary of recommendations

Following close consideration of the issues arising from their interviews with Members and Officers and other detailed information provided the Panel make the following recommendations:

- **Basic Allowance**

The Basic Allowance should continue to be linked to the Living Wage (LW) as determined by the Living Wage Foundation. The current rate of the LW is £8.75 per hour (outside of London). The level of the LW is determined on an annual basis with the latest review due to take place during Living Wage Week 5th-10th November 2018. The Basic Allowance should continue to be calculated based on a non-Executive Member undertaking up to **27** hours on Council and group business.

The weekly hours are based using the Census of Local Authority Councillors 2013 (Local Government Association) which states that Councillors reported spending an average of 25.1 hours on council/group business and in metropolitan districts this increased to 30.9 hours. The recommendation of the Panel is based on a figure between 25.1 hours (that includes all councils including second tier districts and boroughs) and 30.9 hours for large urban metropolitan districts e.g. Leeds and Manchester MBC's.

The Members Allowance Questionnaire completed by nineteen councillors also identified 26 hours as the mean average based on the responses.

The Basic Allowance based on the above criteria would be as follows £8.75 x 27 hours x 52 weeks = **£12,285**. This will be reviewed on an annual basis in line with the LW.

Recommendation: The Panel recommends that any annual uplift should take effect from the **1st June**.

- **Special Responsibility Allowances (SRA's).**

Leader of the Council

The Panel recommends that the Leader of the Council should continue to receive an allowance based on a multiplier of the Basic Allowance. The current multiplier is 2 x Basic Allowance. Following evidence provided to the Panel in respect of the workload and complexity of the role and based on an analysis of comparative data from other similar (unitary) councils the Panel was of the view that the multiplier should be increased to 2.5 x the Basic Allowance.

Recommendation: The allowance for the Leader of the Council should be 2.5 x the Basic Allowance. 2.5 x £12,285= **£30,713**

Cabinet (Executive) Member

The Panel recommends that a Cabinet Member should continue to receive an allowance based on a multiplier of the Basic Allowance. The Current multiplier is 1x Basic Allowance. Following evidence provided to the Panel in respect of the workload and complexity of the role and evaluating comparative data from other similar (unitary) councils the Panel was of the view that the multiplier should be increased to 1.25x the Basic Allowance.

Recommendation: The allowance for a Cabinet Member should be 1.25x the Basic Allowance. 1.25x £12,285= **£15,336**

The Panel recommends that all other SRA's remain unchanged.

- **Co-opted Member/Independent Persons Allowance**

The Panel was of the view that the Co-opted/Independent Persons annual allowance should remain unchanged at £693 and any future increases should continue to be linked to the NJC pay awards for Local Government Employees.

The Panel was also of the view that for specialist support undertaken by the Independent Persons the Council should agree a daily or project rate on a project by project basis.

- **Carers' Allowance**

The Panel are of the view that the current allowance for Carers' of a maximum of £8.75, linked to the Living Wage was no longer fit for purpose and should be replaced by a more realistic allowance. The Panel recommend that the Carers' Allowance be increased so that claims can be made on an actual cost basis on provision of receipts and in the case of specialist care professional approval that such care is required. Payment will continue to be made based on undertaking actual approved Councillor Duties and will also include reimbursement of payment for reasonable travel time.

- **Communications Allowance**

The current allowance for communications telephone line rental and broadband of £15.00 per month should continue until the Council has confirmed to the Panel the approach to be taken to supporting the IT/communication requirements of members. Once a new framework for council communications is in place then the Council should request that the Panel consider an appropriate allowance to cover all aspects of communication e.g. broadband, IT hard ware/software and mobile communications.

- **Maternity, Paternity, Parental and Adoption Leave**

There is no uniform/national policy to support councillors who require maternity, paternity, adoption or parental leave. According to the Fawcett Society (2018 report) a '*lack of maternity/paternity provision or support*' is a real barrier for woman aged 18-44 to fulfil their role as a councillor.

Recommendation: The Panel therefore recommends that a policy/procedure be developed to ensure that Members continue to receive their allowances both Basic and SRA in full, and that a replacement would be appointed on a full SRA for the time of absence resulting from maternity, paternity, parental or adoption leave.

The Panel also recommends that during the period of maternity, paternity, parental or adoption leave that Members will not be required to attend committee meetings and their absence will not be recorded and the '6-month rule' in Section 85 of the Local Government Act 1972 will not apply

All other elements of the Members' Allowances scheme to remain unchanged

4. Considerations and Recommendations of the Panel

A. Basic Allowance

The Members' Allowance scheme was last reviewed in November 2014 and all the Panel's recommendations were agreed by Council.

As part of the 2014 review the Council supported the recommendation that the Basic Allowance be based on the Living Wage (LW). The Council currently supports the use of the LW for Council employees as a minimum standard and is also committed to encouraging employers across the city to commit to the LW as a basis for 'fair' pay. The use of the LW as the basis for determining the level of Basic Allowance has provided a medium term and sustainable approach for the Members' Allowance scheme.

The interviews with Members as part of this review found continued support for the use of the Living Wage as the criteria to determine the Basic Allowance. Also 74% of Members that responded to the questionnaire felt that the level of Basic Allowance was appropriate for the role.

The Living Wage (£8.75 per hour outside of London) is also considerably less than the median average hourly rate for Full Time Workers by place of residence. The current median average hourly rate in Southampton is £12.81 per hour (Official Labour Market Statistics, 2018).

The additional factor in calculating the Basic Allowance is the number of hours a Member undertakes on a weekly basis to undertake the role. The view of the Panel in relation to the weekly hours in 2014 based on feedback from the interviews and the findings of the Census for Local Authority Councillors 2013 (LGA) was that 27 hours was appropriate.

The Census reported that the average number of hours per week on council, group and party business was 25.1 hours. This figure increased to 30.9 hours for Members in large metropolitan councils e.g. Sheffield, Manchester and Leeds and fell to 20.6 hours in shire district councils. Based on a mid size unitary 'all purpose' council the Panel was of the view in 2014 that 27 hours per week was a good basis for determining the Basic Allowance.

The 2018 review found that although the number of hours spent varied from Member to Member the Members Allowance Questionnaire found the mean average hours to be 26 hours, based on 19 respondents.

**Members Allowances in Comparative Mid- Size Unitary Councils across England
(Table 1)**

Council	Basic Allowance	Leader of Council	Cabinet Member
Brighton & Hove	12,118	32,142 *	N/A
Bristol City	11,530	66,315**	N/A
Coventry City	13,687	24,618	10,937
Derby	10,076	30,229	15,115
Doncaster	12,363	18,453	12,363
Hull City	12,734	23,286	14,553
Milton Keynes	10,500	30,600	12,000
Plymouth City	10,472	28,597	19,533
Portsmouth City	10,955	19,719	7,669
Southampton City	12,285	30,713***	15,356***
Stoke- on –Trent	12,000	36,000	12,000
Sunderland City	8,369	37,667	25,111
Wakefield MBC	11,600	36,000	14,136
Average	11,367	31,969	14,342
Median	11,563	30415	13,250

*Leader in a Committee Council, not an Executive Leader

**Directly Elected Mayor

***Recommended allowance

Recommendation: That the Basic Allowance continues to be calculated based on the use of the LW as determined by the Living Wage Foundation www.livingwage.org.uk , currently **£8.75 per hour** (2017-18). The LW is currently reviewed on an annual basis during Living Wage Week (5th- 10th November 2018). The Basic Allowance continues to be calculated based on Members’ undertaking an average of **27** hours per week on council, ward group and party business. The recommended Basic Allowance is £8.75 x 27 hours x 52 weeks = **£12,285**. The Panel also recommends that any annual increase in the level of the Basic Allowance and other allowances take effect from the **1st June** each year.

B. Special Responsibility Allowances

In determining which roles merit an SRA the Panel was cognisant of the 2006 Statutory Guidance (May 2006, paragraphs 70 and 73) that states:

“SRAs may be paid to those members of the council who have significant additional responsibilities over and above the generally accepted duties of a councillor. These special responsibilities must be related to the discharge of the authority’s functions”

When considering all the current roles at Southampton City Council that receive an SRA the Panel was of the view that all the roles continue to involve a *“significant additional responsibility”* that will lead them to receive an SRA.

Leader of the Council

The Panel was of the view that there should be no change to the criteria for calculating the Leader of the Council's allowance, a multiplier of the Basic Allowance. However, the Panel was of the view that the level of the multiplier currently 2x Basic Allowance resulted in an insufficient level of SRA for the Leader of the Council.

The view of the Panel was supported during all the interviews when Members across all groups expressed the view that the SRA for Leader was not commensurate with the workload, complexity and increasing expectations of the role.

The SRA for Leader of the Council is also currently low when compared to the comparative benchmark mid-size unitary councils. Across the benchmark councils (Table 1, page 6.) the SRA for Council Leader at Southampton City Council is currently in position ten of the thirteen councils.

The Panel was of the view that the role of Leader of the Council within a city of 253,000 residents was a full-time and increasingly challenging role. The current SRA for Leader of the Council was also below the median average salary for Southampton by place of residence, £27,081 (Official Labour Market Statistics).

The Panel was therefore of the view that in recognition of the workload and complexity of the role the SRA for Leader of the Council should be recalibrated and be based on a multiplier of 2.5 x the Basic Allowance.

This recalibration will increase the SRA for Leader of the Council to £30,713 and will place the role just above the median of £30,415 and below the average of £31,969 for the comparative benchmark councils (Table 1).

Recommendation: The SRA for Leader of the Council should be based on a multiplier of **2.5 x the Basic Allowance, 2.5 x £12,285= £30,713.**

Cabinet Member

The Panel was again of the view that there should be no change to calculating the criteria for calculating the SRA for Cabinet Member, a multiplier of the Basic Allowance. However, the Panel was of the view that the role of the Cabinet Member was an increasingly complex role with an increasing workload. It was also recognised that three current Cabinet Members are undertaking the role on a part time basis and were therefore receiving an SRA on a pro-rata basis.

During the individual interviews Members were of the view that the role of Cabinet Member was both complex, demanding in respect of workload and increasingly challenging. The panel was of the view that the differential between Council Leader and Cabinet Member should be maintained, this was based on the calculation that the Cabinet Member Allowance is 50% (half) of the Leader of the Council's allowance.

The Panel was therefore of the view that the multiplier for a Cabinet Member should be 1.25 x the Basic Allowance, the SRA for a Cabinet Member to be recommended at £15,356.

Recommendation: The SRA for Cabinet Member should be based on a multiplier of **1.25x the Basic Allowance, 1.25 x £12,285= £15,356**

Deputy Leader

In accordance with the Local Government and Public Involvement in Health Act 2007, the Council Leader is required to appoint a Deputy. The Panel considered whether an SRA should be paid to the Deputy Leader.

Recommendation: The Panel acknowledged the complexity and work load of the role of Deputy Leader but in accordance with previous reviews continues to recommend that as the role of the Deputy Leader has always been a Cabinet Member and has received an SRA for the Cabinet Member role then there should be no separate allowance for the role of Deputy Leader

Chair of Governance Committee

The Panel considered the allowance for the Chair of Governance Committee that since the last review in 2014 has now taken very recent responsibility for the remit of the Employment Committee. The Panel was of the view that it was too early to determine if the additional responsibilities and terms of reference have had an impact on the workload and complexity of the Committees work.

The Panel are therefore of the view that the role of Chair of Governance Committee should continue to receive an SRA at a rate like those of the other main committees, 0.5 of the Basic Allowance.

However, should the Panel within the next eighteen months be provided with information that demonstrates the workload and complexity of the committee has increased due to additional responsibilities then the Panel will re-evaluate the current SRA.

Recommendation: That the Chair of Governance Committee receive an SRA equal to the other main committees, **0.5 of the Basic Allowance, £6,143.**

Opposition Group Leaders.

In 2014 the Panel was of the view that the Opposition Group Leader should receive an SRA based on the number of Members within the group and this should be based on a per Member payment. The Panel are also of the view that the Leader of the Opposition Group should not receive an SRA greater than that of a Cabinet Member (1.25 x Basic Allowance) since the Cabinet Members are the key decision makers.

The Panel continue to recommend that the Opposition Group Leaders should receive an SRA equal; to 1/24th the Basic Allowance multiplied by the number of Members within their group. The figure 24 was chosen as it is half (50%) the number of all Members (48 Members).

Recommendation: The Panel continues to recommend that the SRA for the Opposition Group Leaders be based on the size of the opposition group. Each Opposition Group Leader should receive an allowance equal to 1/24th the Basic Allowance multiplied by the number of Members within the Group. This will continue to require a review after each election, by-election or should there be a vacancy in a ward or a defection to another party.

The current recommended Opposition Group Leader allowances are as follows:

Conservative Group Leader – 19 Members x £511.88 per Group Member = **£9,726**

Recommendation: The Panel recommends that all other SRA's should continue to be unchanged and based on the current criteria and formula for calculation.

C. Co-opted' and Designated Independent Persons Allowance

There are currently two co-opted on two committees who are entitled to the allowance of **£693** per annum and two Designated Independent Persons that receive an allowance to deal with matters where a Member may have breached the Code of Conduct, in accordance with the 2011 Localism Act. The two committees are:

- Governance Committee- There are two co-opted independent members of the Committee who are members of the public, openly recruited to serve a three -year term
- Overview and Scrutiny Management Committee (OSMC) – There are four co-optees, two church representatives and two governor representatives who are only entitled to vote on educational matters. The appointments are statutory but changes to the committee structure have impacted on the nature and level of their participation.

The Panel was of the view that the current allowance of £693 for the co-opted and Designated Independent Persons should be left unchanged. The Co-opted allowance should also continue to be increased in line with the NJC pay award for Local Government Employees.

The Panel was also of the view that should a Designated Independent Person be undertaking specialised work on behalf of the Council then a negotiated daily rate should be payable when required.

Recommendation: The current rate of the Co-opted and Designated Independent Persons allowance should continue at **£693** per annum with any future increases in the allowance to continue to be indexed to the NJC pay award for Local Government Employees.

D. Carers Allowance

Currently Southampton City Council provides a Carers' Allowance up to a maximum of £8.75 per hour (Living Wage) on production of receipts when a Member is undertaking approved Council duties.

The Panel was of the view that this is an insufficient amount for a Member with caring responsibilities to undertake the 'approved duties' and the current Carers' allowance could act as a barrier to members of the public considering standing for Council if the cost of care is not wholly met by the Council.

The Panel was therefore of the view that a ceiling on the reimbursement of care costs at the current rate of £8.75 per hour will lead to Members who require specialist and childcare support to undertake approved duties been out of pocket.

Both specialist care and childcare provision cost more than £8.75 per hour and the Panel was of the view that the Carers' Allowance should reimburse the actual cost of care upon production of receipts.

In the case of the reimbursement for the cost of specialist care the Panel was of the view that medical evidence that this type of care is required should also be provided and then approved by a designated officer of the Council

Recommendation: The Panel recommends that care provision should be reimbursed at cost upon production of receipts and in the case of specialist care medical evidence that this type of care is required should be provided to and approved by a designated officer of the Council.

The Carers' Allowance policy should also be promoted to all Members following an election and to all prospective and selected candidates for Council prior to an election.

E. Maternity, Paternity, Parental and Adoption Leave

There is no uniform /national policy to support councillors who require maternity, paternity, adoption or parental leave. According to the Fawcett Society (*Does Local Government Work for Women, 2018*) a 'lack of maternity, paternity provision or support' is a real barrier for women aged 18-44 to fulfil their role as a councillor.

The Panel considered the Members Allowance Schemes in the London Borough of Islington and the London Borough of Hammersmith and Fulham who both have within their schemes a policy and procedure to support Members who are absent due to maternity, paternity, adoption and parental leave. Although the Panel did not wish to stipulate an exact policy/procedure to be followed the Panel was of the view that the '6-month rule' in Section 85 of the *Local Government Act 1972* should not impact on Members who had to take a period of absence in respect of maternity, parental or adoption leave. This rule stipulates that if a Member does not attend Council for six months they lose their position unless the council has approved their absence.

The Panel was also conscious that the percentage of female Members at Southampton City Council (27%) was below the national average of 33% and introducing a policy and procedure to support Members who require maternity, parental and adoption leave may act as an incentive and reduce the barriers to standing for Council.

Recommendation: The Panel recommends that a policy/procedure in relation to Maternity, Paternity, Parental and Adoption Leave should be included within the Members Allowance Scheme that ensures:

- Members continue to receive the Basic and SRA in full during a period of absence
- A replacement be appointed on the full SRA to cover the period of absence and;
- Members will not be required to attend committee meetings and their absence will not be recorded and the '6-month rule' in Section 85 of the Local Government Act 1972 will not apply

F. Communications

The Council's current policy and approach to communications that includes telephone, mobile communication, broadband and IT software/ hardware was due to be reviewed as part of the Council's Transformation Programme, however this review and the subsequent recommendations have yet to be undertaken.

The current Members' Allowances scheme in respect of communications that includes telephone line rental, broadband and mobile communication is reimbursed at a rate of £15.00 per month, an allowance payable to all Members.

The Panel was of the view that the current allowance in terms of its scope e.g. the current lack of an allowance for and the provision of a mobile/ smartphone and/or a lap top or tablet computer was unacceptable and could be a barrier to a Member carrying out the role effectively.

However, the Panel was aware that the strategic review of communications had yet to be undertaken and therefore the Panel was of the view that it would not be right time to recommend any changes to the current scheme of allowances. Once the review and

subsequent recommendations have been agreed and implemented the Panel would like to convene to determine an appropriate communications allowance.

Recommendation: The current allowance of **£15.00 per month** for telephone line rental and broadband to remain unchanged until the approved recommendations of a communications review are implemented. Once the recommendations of communications review are implemented then the Panel will convene to determine and recommend an appropriate communication allowance. The Panel encourages the completion of this review by October 2020.

G. Travel and Subsistence.

The Members' Allowances scheme reimburses travel by car at the HMRC Approved Mileage Allowance Payment. Subsistence rates for undertaking 'Approved Duties' are adjusted in line with the rate for City Council employees.

Recommendation: The current approach to travel continues to be reimbursed at the HMRC Approved Mileage Allowance Payment and subsistence rates continue to be in line with the rate for Council employees.

H. The One SRA Only Rule

The 2003 Members' Allowances Regulations do not limit the number of SRA's an individual Member can receive. Nevertheless, it is common and established good practice in most councils to have a 'One SRA only' rule set out in their allowances scheme. Southampton City Council has in a previous review adopted this good practice approach

Recommendation: The one SRA only rule per Member should continue to be implemented

I. Maximum Number of SRA's Payable

In accordance with the 2006 Statutory Guidance (paragraph 72) it is recommended that no more than 50% of a Councils Members should receive an SRA at any one time, in the case of Southampton City Council this would be 24 Members. The Council currently adheres to the Guidance with just seventeen Members (35%) receiving an SRA.

Recommendation: The Panel recommends that no more than 50% of the Council Members (currently 24) should receive an SRA at any one time.

5. Implementation of the Recommendations

As permitted by the 2003 Members' Allowances Regulations (paragraph 10.6) it is recommended that the new Members' Allowances scheme as recommended in this report is implemented from 1st June 2019.

Appendix 1

Recommendations of the Panel – Members’ Allowance Scheme for Implementation from June 2019

Allowance Scheme	Current Allowance (£) 2009 rate payable	Recommended Allowance (£)	Recommended Allowance Calculation
Basic Allowance	12,285	12,285	Living Wage x 27hours x 52 weeks
Leader of the Council	24,570	30,713	2.5 x Basic Allowance
Cabinet Member	12,285	15,356	1.25 x Basic Allowance
Chair of Planning	6,143	6,143	0.5 x Basic Allowance
Chair of Licensing	6,143	6,143	0.5 x Basic Allowance
Chair of OSMC	6,143	6,143	0.5 x Basic Allowance
Chair of Health Scrutiny Panel	3,073	3,073	0.25 x Basic Allowance
Chair of Children and Families Scrutiny Panel	3,073	3,073	0.25 x Basic Allowance
Opposition Group Leaders	9,726	9,726	Based on a per Group Member figure (1/24 th of the Basic Allowance)
Chair of Governance Committee	6,143	6,143	0.5 x Basic Allowance
Independent Persons	693	693	To increase in line with NJC pay awards
Carers Allowance	8.75 per hour Living Wage	To be reimbursed at cost	To be reimbursed at cost upon production of receipts
Communications	15.00	15.00	Per month
Travel	45p	45p	HM Revenue and Customs Rate. Per mile for the first 10,000 miles
Maternity, Paternity, Adoption and Parental Leave			Members to continue to receive the Basic and any SRA’s during the period of absence and the ‘6-month rule’ Section 85 of the 1972 LG Act will not apply

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Parental Leave Policy for Councils

Introduction

This Policy sets out Members' entitlement to maternity, paternity, shared parental and adoption leave and relevant allowances.

The objective of the policy is to ensure that insofar as possible Members are able to take appropriate leave at the time of birth or adoption, that both parents are able to take leave, and that reasonable and adequate arrangements are in place to provide cover for portfolio-holders and others in receipt of Special Responsibility Allowances (SRA) during any period of leave taken.

Improved provision for new parents will contribute towards increasing the diversity of experience, age and background of local authority councillors. It will also assist with retaining experienced councillors – particularly women – and making public office more accessible to individuals who might otherwise feel excluded from it.

There is at present no legal right to parental leave of any kind for people in elected public office. This applies to MPs as well as councillors, and has been the subject of lengthy debate. These policies can therefore only currently be implemented on a voluntary basis, although Labour Councils are encouraged to implement them as per the Labour Party Democracy Review which has called for Labour-controlled councils and Labour Groups to adopt a parental leave policy. Discussions are ongoing about changing the law to enable compulsory provision, but until then these policies constitute best practice which Labour Groups (and the councils they control) are strongly advised to adopt.

Legal advice has been taken on these policies, and they conform with current requirements.

1. Leave Periods

1.1 Members giving birth are entitled to up to 6 months maternity leave from the due date, with the option to extend up to 52 weeks by agreement if required.

1.2 In addition, where the birth is premature, the Member is entitled to take leave during the period between the date of the birth and the due date in addition to the 6 months' period. In such cases any leave taken to cover prematurity of 28 days or less shall be deducted from any extension beyond the initial 6 months.

1.3 In exceptional circumstances, and only in cases of prematurity of 29 days or more, additional leave may be taken by agreement, and such exceptional leave shall not be deducted from the total 52 week entitlement.

1.4 Members shall be entitled to take a minimum of 2 weeks paternity leave if they are the biological father or nominated carer of their partner/spouse following the birth of their child(ren).

1.5 A Member who has made Shared Parental Leave arrangements through their employment is requested to advise the Council of these at the earliest possible opportunity. Every effort will be made to replicate such arrangements in terms of leave from Council.

1.6 Where both parents are Members leave may be shared up to a maximum of 24 weeks for the first six months and 26 weeks for any leave agreed thereafter, up to a maximum of 50 weeks. Special and exceptional arrangements may be made in cases of prematurity.

1.7 A Member who adopts a child through an approved adoption agency shall be entitled to take up to six months adoption leave from the date of placement, with the option to extend up to 52 weeks by agreement if required.

1.8 Any Member who takes maternity, shared parental or adoption leave retains their legal duty under the Local Government Act 1972 to attend a meeting of the Council within a six month period unless the Council Meeting agrees to an extended leave of absence prior to the expiration of that six month period.

1.9 Any Member intending to take maternity, paternity, shared parental or adoption leave will be responsible for ensuring that they comply with the relevant notice requirements of the Council, both in terms of the point at which the leave starts and the point at which they return.

1.10 Any member taking leave should ensure that they respond to reasonable requests for information as promptly as possible, and that they keep officers and colleagues informed and updated in relation to intended dates of return and requests for extension of leave.

2. Basic Allowance

2.1 All Members shall continue to receive their Basic Allowance in full whilst on maternity, paternity or adoption leave.

3. Special Responsibility Allowances

3.1 Members entitled to a Special Responsibility Allowance shall continue to receive their allowance in full in the case of maternity, paternity, shared parental or adoption leave.

3.2 Where a replacement is appointed to cover the period of absence that person shall receive an SRA on a pro rata basis for the period of the temporary appointment.

3.3 The payment of Special Responsibility Allowances, whether to the primary SRA holder or a replacement, during a period of maternity, paternity, shared parental or adoption leave shall continue for a period of six months, or until the date of the

next Annual Meeting of the Council, or until the date when the member taking leave is up for election (whichever is soonest). At such a point, the position will be reviewed, and will be subject to a possible extension for a further six month period.

3.4 Should a Member appointed to replace the member on maternity, paternity, shared parental or adoption leave already hold a remunerated position, the ordinary rules relating to payment of more than one Special Responsibility Allowances shall apply.

3.5 Unless the Member taking leave is removed from their post at an Annual General Meeting of the Council whilst on leave, or unless the Party to which they belong loses control of the Council during their leave period, they shall return at the end of their leave period to the same post, or to an alternative post with equivalent status and remuneration which they held before the leave began.

4. Resigning from Office and Elections

4.1 If a Member decides not to return at the end of their maternity, paternity, shared parental or adoption leave they must notify the Council at the earliest possible opportunity. All allowances will cease from the effective resignation date.

4.2 If an election is held during the Member's maternity, paternity, shared parental or adoption leave and they are not re-elected, or decide not to stand for re-election, their basic allowance and SRA if appropriate will cease from the Monday after the election date when they would technically leave office.

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DECISION-MAKER:	COUNCIL		
SUBJECT:	ADOPTION OF THE GAMBLING ACT 2005 STATEMENT OF LICENSING PRINCIPLES		
DATE OF DECISION:	21 NOVEMBER 2018		
REPORT OF:	SERVICE MANAGER FOR LICENSING		
<u>CONTACT DETAILS</u>			
AUTHOR:	Name:	Phil Bates	Tel: 023 8083 3523
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Director	Name:	Mitch Sanders	Tel: 023 8083 3613
	E-mail:	mitch.sanders@southampton.gov.uk	

STATEMENT OF CONFIDENTIALITY	
None	
BRIEF SUMMARY	
<p>Section 349 of the Gambling Act 2005 requires the City Council, as licensing authority, to prepare and publish a statement of licensing principles (SLP) that it proposes to apply in exercising its functions under the Act. The Council adopted its first policy from January 2007. This policy must be reviewed and re-adopted every three years. The previous SLP was adopted on 1st January 2018 and took into account updates in guidance. This midterm adoption does not negate the requirement to publish and re-adopt the SLP on a three-yearly basis (i.e. by 31st January 2019).</p>	
<p>The proposed Statement of Licensing Principles is attached at Appendix 1 for consideration. The SLP includes only minor amendments as a result of consultation responses and it is only a year since the last adoption of the SLP.</p>	
RECOMMENDATIONS:	
	(i) The Council considers the revised Gambling Act SLP attached at appendix 1 and adopts the revised Gambling Act SLP with effect from 31st January 2019 and for a period of three years.
REASONS FOR REPORT RECOMMENDATIONS	
1.	The Council has a statutory obligation to adopt, review and maintain a Statement of Licensing Principles (policy) in relation to the functions allocated to it under the Act. Whilst, generally, functions are delegated to the Licensing Committee under the Act, setting the SLP is one of the exceptions and must therefore be determined by Council.
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED	
2.	Not applicable, the Council is required to have a SLP by law.
DETAIL (Including consultation carried out)	
3.	The City Council undertook consultation on the SLP in accordance with the Act and Regulations as well as the Council's own consultation requirements.
4.	Section 349 of the Act requires each licensing authority to prepare and

	publish a statement of principles that they propose to apply in exercising their functions under the Act.
5.	The Act provides for three categories of licence:- (a) Operating licences; (b) Personal licences; and (c) Premises licences
6.	The Gambling Commission issues operating licences and personal licences; and licensing authorities issue premises licences.
7.	The main functions of licensing authorities under the Act are as follows: - <ul style="list-style-type: none"> • Licensing premises for gambling activities□ • Considering notices given for the temporary use of premises for gambling□ • Granting permits for gaming and gaming machines in clubs and miners' welfare institutes • Regulating gaming and gaming machines in alcohol licensed premises • Granting permits to family entertainment centres for the use of certain lower stake gaming machines • Granting permits for prize gaming • Considering occasional use notices for betting at tracks • Registering small societies' lotteries
8.	In September 2015 the Gambling Commission issued revised detailed guidance to licensing authorities on the manner in which they are to exercise their functions under the Act, and in particular, the principles they should apply in exercising their functions. Parts 17 (Casinos), 18 (Bingo) and 19 (Betting Premises) were updated in September 2016.
9.	From April 2016 the Gambling Commission has required operators to identify risks to the licensing objectives associated with premises, its operation and the location in which it is sited. Operators must produce a risk assessment for each premises – setting out mitigation in place or planned to be put in place to reduce risk to the licensing objectives. These requirements are set out within the Commission's Licensing Conditions and Codes of Practice ("LCCP").
10.	Failure to produce a premises risk assessment amounts to a breach of the operator's licence and could result in revocation of that licence. This need to produce a risk assessment means that operators should pay close attention to local risks or concerns identified by the Licensing Authority in its SLP document. The impact of these changes is an increased importance of the SLP.
11.	The consultation process resulted in 7 responses from the following parties: <ul style="list-style-type: none"> • The Bingo Association • Gamble Aware • Gamcare • Association of British Bookmakers (ABB) • Southampton City Council Public Health • Race Course Association • Talarius Limited

12.	A summary of the responses, including officer comments, is attached to this report as appendix 2. Copies of the responses are available in the members' room.
13.	As a result of the responses to the consultation officers have made minor amendments to the SLP from the consulted upon document. These minor changes are highlighted in the proposed document and the highlighting will be removed once approved.
14.	The comments and changes made are of a technical nature and do not significantly impact on the policy of the Council.
15.	The vast majority of the SLP is prescriptive or flows from statutory guidance which is expected to be included in the document unless there is very good reason not to do so. The Council also has the benefit of Leading Counsel's opinion on the previous draft document to ensure it meets the statutory requirements.
RESOURCE IMPLICATIONS	
<u>Capital/Revenue</u>	
16.	None
<u>Property/Other</u>	
17.	N/A
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
18.	Section 349 of the Gambling Act 2005.
<u>Other Legal Implications:</u>	
19.	The SLP sets out the factors which the Licensing Authority shall take into account, along with relevant statutory guidance, the Gambling Act 2005 and Regulations made thereunder when performing its licensing functions. It is important to note and reiterate that the Licensing Authority is unable to consider issues relating to morality or demand when determining premises licence applications.
20.	Public authorities, under the Equality Act 2010, have a legal obligation to have due regard to the need to eliminate unlawful discrimination, harassment and victimisation; to advance equality of opportunity; and to foster good relations, between persons with different protected characteristics. The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, and sexual orientation. An Equality Impact Assessment has not been carried out in this instance as the risks associated with the publication of this document on this duty are considered to be low.
RISK MANAGEMENT IMPLICATIONS	
21.	Failure to properly consult or adopt such a policy will leave decisions by the authority at risk of challenge
POLICY FRAMEWORK IMPLICATIONS	
22.	The Gambling Act policy is one of the policy framework documents that is required to be considered and adopted by full Council on a triennial basis.

KEY DECISION?	No	
WARDS/COMMUNITIES AFFECTED:	All	
<u>SUPPORTING DOCUMENTATION</u>		
Appendices		
1.	Southampton City Council proposed Statement of Licensing Principles	
2.	Summary of responses to consultation and officer comments	
Documents In Members' Rooms		
1.	Copies of all 7 responses to the consultation.	
Equality Impact Assessment		
Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.		No
Data Protection Impact Assessment		
Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out.		No
Other Background Documents		
Other Background documents available for inspection at:		
Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)	
1.	Gambling Commission Guidance to Licensing Authorities	https://www.gamblingcommission.gov.uk/for-licensing-authorities/GLA/Guidance-to-licensing-authorities.aspx



GAMBLING ACT 2005 SECTION 349

STATEMENT OF PRINCIPLES

This Statement of Principles, unless otherwise amended, will remain in force from 31st January 2019 until 31st January 2022

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Part A – General

Part A - General

1.0 Licensing Objectives

- 1.1 In exercising most of its functions under the Gambling Act 2005, the Licensing Authority must have regard to the licensing objectives as set out in Section 1 of the Act. The licensing objectives are:
- Preventing gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime;
 - Ensuring that gambling is conducted in a fair and open way; and
 - Protecting children and other vulnerable persons from being harmed or exploited by gambling
- 1.2 The Licensing Authority is aware that the Gambling Commission has stated that the requirement in relation to children is explicitly to protect them from being harmed or exploited by gambling.
- 1.3 This Licensing Authority is aware that in accordance with Section 153 of the Act, in making its decisions about premises licences and temporary use notices it should aim to permit the use of the premises for gambling in so far as it thinks it:
- (a) in accordance with any relevant code of practice under section 24,
 - (b) in accordance with any relevant guidance issued by the Commission under section 25,
 - (c) reasonably consistent with the licensing objectives (subject to paragraphs (a) and (b)), and
 - (d) in accordance with the statement published by the authority under section 349 (subject to paragraphs (a) to (c)).

2.0 Introduction

- 2.1 Southampton is the south coast's regional capital with a population of over 245,000 in an area of 50 square km. The Southampton area has been voted one of the most pleasant places to work in the UK, and the city is the gateway to a wide range of world-class features from the Solent with its marine leisure opportunities to the New Forest National Park
- 2.2 Southampton has a rich heritage, with a famous seafaring history as an important Roman and then Saxon port. The Old Town is surrounded by the third longest uninterrupted stretch of medieval walls in the country. Monuments commemorating links with Henry V, the Pilgrim Fathers and RMS Titanic can be found around the city.
- 2.3 Southampton lies at the very centre of the south coast's communications network, providing excellent links by road and rail, and to national and international destinations through Southampton Airport and the Port of Southampton. 3.5 million people live within an hour's drive, and there are 7 million day visitors to the city every year.
- 2.4 Southampton is the cruise capital of northern Europe with 1.5m passengers passing through the port annually. The Port of Southampton handles the largest

Part A – General

container ships in the world and is Europe's most productive port. It is the second largest container terminal in the UK and is the country's leading port for automotive trade.

- 2.5 Southampton is the largest city in southeast England outside London, and is seeing expansion in important emerging sectors, including media and creative industries, business and financial services, and marine. Southampton and the immediate region boasts the south's largest concentration of major companies and is home to some of the UK's biggest brands, including Carnival UK, Ordnance Survey and Lloyds Register. The Southampton Marine and Maritime Institute opened in 2014 and sees Lloyd's Register joining forces with the University of Southampton to create the largest HE/Private Sector collaboration in the UK. The Institute is a world-leading centre for innovation, business and education in various maritime disciplines including marine engineering and sciences.
- 2.6 West Quay shopping centre opened in 2000 and Southampton is ranked 14th in Venuescore's UK shopping venue rankings. The £80 million WestQuay Watermark opened late in 2016, it features a 10 screen luxury cinema and up to 20 restaurants including, Bill's restaurant, Wahaca and Red Dog. The city is home to two universities, the University of Southampton and Southampton Solent University, with a significant student population of around 42,000. The Southampton Boat Show, the largest on-water boat show in Europe, takes place in September every year.
- 2.7 In 2012, the council launched a City Centre Masterplan, which once completed will bring £3 billion of investment into the city by 2030, 7,000 jobs by 2026, and 5,000 new homes. £1.6 billion of investment is already committed. Of the 7 VIP projects in the Master plan, the Cultural Quarter was completed in 2016. This has seen £175 million of investment including the award winning Guildhall Square and the SeaCity Museum which opened in April 2012. The new contemporary arts centre opened in 2018 after an award of a grant from the Arts council of over £7 million.
- 2.8 In June 2018 gambling facilities in the city included three casinos (two currently operating), four bingo clubs, 36 betting offices, 15 amusement centres, one betting track, and 129 premises licensed for the supply of alcohol for consumption on the premises which have gaming machines installed.
- 2.9 On 22nd March 2016 the Licensing Authority awarded the Provisional Statement for a Large Casino to Aspers. This is one of the early stages in the development of the Waterfront Project that will transform the area around Platform Tavern and Mayflower Park. The intention is to include a mix of speciality shops, offices, leisure venues, apartments and waterside attractions alongside a remodelled high quality public space, Mayflower Park.
- 2.10 A map of the Southampton area is attached as Appendix A.

3.0 Consultation on the Statement of Principles

- 3.1 Licensing Authorities are required by the Gambling Act 2005 to publish a statement of the principles that they propose to apply when exercising their functions. This statement must be published at least every three years. The

Part A – General

statement must also be reviewed from “time to time” and any amended parts re-consulted upon. The statement must then be re-published.

3.2 The Licensing Authority has consulted widely on this statement before finalising and publishing it. It should be noted that unsolicited comments may have been received from other persons but all of these have not been listed.

3.3 The Gambling Act requires that the following parties be consulted by licensing authorities:

- The Chief Officer of Police for Hampshire;
- One or more persons who appear to the authority to represent the interests of persons carrying on gambling businesses in the Southampton area;
- One or more persons who appear to the authority to represent the interests of persons who are likely to be affected by the exercise of the authority’s functions under the Act.

3.4 This policy has been drafted after consultation with the following organisations and individuals.

- Association of British Bookmakers
- Adult Social Care
- BACTA
- Bingo Association
- British Beer & Pub Association
- British Holiday & Home Parks Association
- Business in Sport & Leisure
- Casino Operators Association of the UK
- Citizens Advice
- Community Safety
- Environmental Health
- Federation of licensed victuallers
- Gamblers Anonymous
- Gambling Aware
- Gambling Commission
- Gamcare
- Gamestec
- Hampshire Constabulary
- Hampshire Fire and Rescue Service
- HM Revenue & Customs

Part A – General

- Licence holders including all the permit holders
- Local courts
- Mencap
- National Casino Forum
- Planning and Sustainability
- Public Health Southampton
- Racecourse Association Ltd
- Safeguarding Children
- Trading Standards

Additionally it was available for the general public through the Consultation web page of Southampton City Council

3.5 The full list of comments made and the consideration by the Council can be obtained from the Licensing Team, Southampton City Council, Civic Centre, Southampton SO14 7LY. The first policy was approved at a meeting of the Full Council on 15th November 2006 and has been subsequently revised and published via the Council's website (www.southampton.gov.uk/gamblingslp). Copies are placed in all the city's public libraries as well as being available from the Licensing Team at the Civic Centre.

3.6 The Licensing Authority will also consult the above and any other relevant persons as may be appropriate for any subsequent revision of the statement.

3.7

3.8 Any comments as regards this statement should be sent to:

The Licensing Manager

Southampton City Council

Civic Centre

Southampton

SO14 7LY

Tel: 023 8083 3002 Fax: 023 8083 4061

Email: licensing.policy@southampton.gov.uk

3.9 It should be noted that this Statement of Principles will not override the right of any person to make an application, make representations about an application, or apply for a review of a licence as each will be considered on its own merits and according to the statutory requirements of the Gambling Act 2005.

4.0 Declaration

4.1 In publishing this document, the Licensing Authority declares that it has had regard to the licensing objectives of the Act, guidance issued by both the Government and the Gambling Commission and any responses from those consulted on the statement.

Part A – General

5.0 Responsible authorities and interested parties

5.1 When dealing with applications for and reviews of premises licences, the Licensing Authority is obliged to consider representations from two categories of persons, referred to as “responsible authorities” and “interested parties.” (It should be noted that these are defined differently to those defined in the Licensing Act 2003). Representations made by persons other than responsible authorities or interested parties will be inadmissible.

5.2 “Responsible authorities” are public bodies that must be notified of applications by the applicant. They are as follows:

- the Licensing Authority in whose area the premises are wholly or partly situated;
- the Gambling Commission;
- the Chief Officer of Police;
- the Fire and Rescue Authority;
- the Local Planning Authority;
- the Public Protection Service;
- the Southampton Local Safeguarding Children Board;
- HM Revenue and Customs; and
- Any other person prescribed by the Secretary of State

5.3 A full list and contact details of all the Responsible Authorities under the Act are contained on the Council’s website (www.southampton.gov.uk/licensing).

5.4 The Licensing Authority is required by the regulations to state the principles it will apply in exercising its powers under Section 157(h) of the Act when designating in writing, a body which is competent to advise the authority about the protection of children from harm. The principles are:

- The need for the body to be responsible for an area covering the whole of the Licensing Authority’s area; and
- The need for the body to be answerable to democratically elected persons, rather than any particular vested interest group.

5.5 In accordance with the suggestion in the Gambling Commission’s Guidance to Local Authorities, this authority has approached the Local Children’s Safeguarding Board who in turn have designated Southampton Children Services as the body that is competent to advise the authority about the protection of children from harm.

5.6 “Interested parties” are persons who may make representations about licence applications or apply for a review of an existing licence. These parties are defined in the Act as follows:

“A person is an interested party in relation to an application for or in respect of a premises licence if, in the opinion of the Licensing Authority which issues the licence or to which the application is made, the person -

- lives sufficiently close to the premises to be likely to be affected by the authorised activities; or

Part A – General

- has business interests that might be affected by the authorised activities; or
 - represents persons in either of those two groups referred to above”.
- 5.7** Each case will be considered on its merits. This authority will not apply a rigid rule to its decision making. It will consider the examples of considerations provided in the Gambling Commission’s Guidance to Local Authorities.
- 5.8** It will also consider the Gambling Commission’s Guidance that “has business interests” should be given the widest possible interpretation and include partnerships, charities, faith groups and medical practices.
- 5.9** The Gambling Commission has recommended that the Licensing Authority states that interested parties include trade associations, and trade unions, and residents and tenants’ associations (paragraph 6.21 of the Gambling Commission Guidance to Local Authorities). This authority will not, however, generally view these bodies as interested parties unless they have a member who can be classed as an interested person under the terms of the Act, i.e. lives sufficiently close to the premises to be likely affected by the activities being applied for or has business interests that might be affected.
- 5.10** Interested parties can be persons who are democratically elected such as local councillors and MPs. No specific evidence of being asked to represent an interested person will be required as long as the councillor / MP represent the ward likely to be affected.
- 5.11** If interested parties wish to approach councillors to ask them to represent their views then care should be taken that the councillors are not part of the Licensing Committee dealing with that particular licence application. If there are any doubts then please contact
- Democratic Services
Southampton City Council
Civic Centre
Southampton
SO14 7LY
- 5.12** Other than these however, this authority will generally require written evidence that a person/body (e.g. an advocate / relative) ‘represents’ someone who either lives sufficiently close to the premises to be likely to be affected by the authorised activities and/or has business interests that might be affected by the authorised activities. A letter from one of these persons, requesting the representation is sufficient.
- 6.0 Exchange of Information**
- 6.1** Licensing Authorities are required to include in their statements the principles to be applied by the authority in exercising the functions under sections 29 and 30 of the Act with respect to the exchange of information between it and the Gambling Commission, and the functions under section 350 of the Act with respect to the exchange of information between it and the other persons listed in Schedule 6 to the Act.

Part A – General

6.2 The Licensing Authority will act in accordance with the provisions of the Act in its exchange of information which includes the provision that the Data Protection Act 1998 will not be contravened. The Licensing Authority will also have regard to the Gambling Commission’s Guidance to licensing authorities, in particular part 13 or any other part of the guidance that is applicable as and when amended.

7.0 Compliance and Enforcement

7.1 Licensing Authorities are required by regulation under the Act to state the principles to be applied by the authority in exercising the functions under Part 15 of the Act with respect to the inspection of premises; and the powers under section 346 of the Act to institute criminal proceedings in respect of the offences specified.

7.2 This Licensing Authority’s principles are that It will be guided by the Gambling Commission’s September 2015 “Guidance to Local Authorities” (and any subsequent revision), will adopt a risk-based inspection programme in accordance with the Regulators’ Compliance Code and will endeavour to be:

- **Proportionate:** intervention only when necessary: remedies should be appropriate to the risk posed, and costs identified and minimised;
- **Accountable:** decisions must be justified, and subject to public scrutiny;
- **Consistent:** rules and standards must be joined up and implemented fairly;
- **Transparent:** regulators should be open, and keep regulations simple and user friendly; and
- **Targeted:** focused on the problem, and minimise side effects.

7.3 The Licensing Authority will endeavour to avoid duplication with other regulatory regimes so far as possible.

7.4 The main enforcement and compliance role for the Licensing Authority is to ensure compliance with the premises licences and other authorisations. The Gambling Commission will be the enforcement body for the operator and personal licences it issues. It should also be noted that concerns about the manufacture, supply or repair of gaming machines will not be dealt with by the Licensing Authority but will be notified to the Gambling Commission.

7.5 In particular, the Gambling Act 2005 (Mandatory and Default Conditions)(England and Wales) Regulations 2007 (SI 2007 no. 1409) make provision for conditions to be attached to premises licences under section 167 and 168 of the Gambling Act 2005

7.6 The Licensing Authority will keep itself informed of developments as regards the work of the Better Regulation Executive in its consideration of the regulatory functions of local authorities.

7.7 Having regard to the principle of transparency, the Licensing Authority enforcement policy will be available on request to the Licensing Team.

7.8 Southampton City Council has an adopted Enforcement Policy which will be adhered to when considering enforcement activity.

Part A – General

8.0 The Licensing Authority Functions

8.1 The Licensing Authority will:

- Be responsible for the licensing of premises where gambling activities are to take place by issuing Premises Licences
- Issue Provisional Statements
- Regulate members' clubs and miners' welfare institutes who wish to undertake certain gaming activities via issuing Club Gaming Permits and/or Club Machine Permits
- Issue Club Machine Permits to Commercial Clubs
- Grant permits for the use of certain lower stake gaming machines at unlicensed Family Entertainment Centres
- Receive notifications from alcohol licensed premises (under the Licensing Act 2003) of the use of two or fewer gaming machines
- Issue Licensed Premises Gaming Machine Permits for premises licensed to sell/supply alcohol for consumption on the licensed premises, under the Licensing Act 2003, where more than two machines are required
- Register small society lotteries below prescribed thresholds
- Issue Prize Gaming Permits
- Receive and endorse Temporary Use Notices
- Receive Occasional Use Notices
- Provide information to the Gambling Commission regarding details of licences issued (see section above on information exchange)
- Maintain registers of the permits and licences that are issued under these functions

8.2 The Licensing Authority will not be involved in licensing remote gambling. This will fall to the Gambling Commission via Operator Licences.

Part B – Premises Licences

Part B – Premises Licences

9.0 Premises Licences – What Standards the Licensing Authority Expects from Applicants

9.1 The Licensing Authority is required to take into account the following when taking decisions in respect of premises licences:

- (a) Relevant Gambling Commission Codes of Practice
- (b) Relevant Gambling Commission Guidance
- (c) Reasonable consistency with the Licensing Objectives (subject to a and b)
- (d) This is our gambling statement of principles (subject to a – c)

9.2 It is important for there to be clear guidelines as to how we will make decisions about premises licence applications. In this way we can be consistent and ensure the committee have clear reasons for decisions taken. It is also important to be transparent about this process so that those who apply for licences and those who may have opinions about gambling premises know how the process works.

9.3 In light of this we have set out below what we are looking for from applicants looking to offer gambling in Southampton.

9.4 Each application for a premises licence will be considered on its merits; applicants are expected to show how they will meet licensing objective concerns, in order to be granted a licence. Where applicants fail to show how they will meet licensing objective concerns, licence conditions can be imposed or the application rejected.

9.5 Licensing objectives: minimum standards for all premises

9.5.1. We expect high standards from all gambling premises. These standards are in line with the three licensing objectives of the Gambling Act.

9.5.2. The Commission's Licence Conditions and Codes of Practice (LCCP) which were revised and published in January 2018, formalise the need for operators to consider local risks.

9.5.3. All premises licensees are to assess the local risks to the licensing objectives posed by the provision of gambling facilities at each of their premises, and have policies, procedures and control measures to mitigate those risks. It will be expected that operators will factor in the levels of deprivation in their local area and exercise greater vigilance, where appropriate, in matters such as monitoring, intervention, self-exclusion and display of information. In undertaking their risk assessments, they must take into account relevant matters identified in the licensing authority's statement of policy. Appendix B provides details on local profiles in the city. This appendix is to be considered as a separate document from this policy to allow it to be easily updated if necessary.

Part B – Premises Licences

9.5.4. **Preventing gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime:**

Generally this objective will be addressed through operating licences issued by the Gambling Commission. However we will require that premises have protocols in place to prevent staff or customers becoming a victim of robbery, and identify those persons who may be at risk and that the existence of these protocols is well-publicised. We will also outline control measures for tracks, as track operators do not need to hold an operating licence. The Gambling Commission highlights that “disorder is intended to mean activity that is more serious and disruptive than mere nuisance.” For example, was police assistance required? How threatening was the behaviour to those who could see or hear it?

9.5.5. **Ensuring that gambling is conducted in a fair and open way**

Generally this objective will be addressed by:

- The management of the gambling business (in conjunction with the Gambling Commission, who are responsible for issuing and enforcement of the operating licence).
- The personal licence holders proving their suitability and actions (which again is the responsibility of the Gambling Commission)

In the case of those premises that do not hold an operating licence such as tracks, additional conditions may be required dependent on the risks outlined in the application.

9.5.6. **Protecting children and other vulnerable persons from being harmed or exploited by gambling**

The Gambling Act defines “children” as those persons under 16 years of age and “young persons” as those persons aged 16 or 17 years of age.

The term “vulnerable persons” is not defined, however the Gambling Commission does offer some guidance:

- People who gamble more than they want to
- People who gamble beyond their means
- People who may not be able to make informed or balanced decisions about gambling due to a mental impairment, alcohol or drugs.

In Southampton we would also consider the following people to be vulnerable:

- Those with an inclination to gamble more than they want to or beyond their means
- Those who are dependent for a source of income on somebody who gambles more than they want to or beyond their means
- Those who are employed by gambling operators and have regular contact with gambling
- Those aged 16-29.
- Habitual players of gaming machines.

Part B – Premises Licences

Additionally research by City of Westminster Council, Manchester City Council and the Local government Association identified the groups as at risk of harm from gambling. This list is not exhaustive but includes the following:

- Youth
- Some ethnic groups, Asian, Oriental,
- Unemployed
- Deprived areas
- Homelessness
- Immigration
- Probation
- Influence of drugs and alcohol
- Mental Health
- Problem gamblers

What constitutes harm or exploitation will have to be considered on a case-by-case basis.

We expect all premises licence holders to have suitable safeguarding policies in respect of children, young persons and vulnerable persons. We expect premises licence holders to ensure that all staff are trained to recognise safeguarding issues when they arise and act appropriately. Such policies must be kept updated and staff training refreshed at frequent intervals.

9.5.7. General considerations for all gambling premises

We expect high standards from premises licence applicants in order to promote the licensing objectives. We will therefore look to apply licence conditions where appropriate to ensure these standards are met. The types of conditions we may look to apply in respect of all types of premises are listed below with more premises specific conditions listed in 10 to 19 below.

9.5.8. Large Casino Premises contribution towards research, education and treatment

We expect any large casino operator to contribute towards any national and local problem gambling initiatives as deemed appropriate by the Licensing Authority from time to time. This may include the Responsible Gambling Trust and any projects within the City of Southampton.

9.5.9. Data gathering and sharing

Keeping track of the incidence and handling of problem gambling in Southampton is a key part of promoting the licensing objectives. We expect all Southampton-based gambling premises to maintain a log and share this and other information with the Licensing Team upon request.

Data that we consider should be recorded and shared includes (but is not exclusive to):

Part B – Premises Licences

- (a) Number of interventions in a calendar month along with a short description of the cause and effect
- (b) Number of cases in a calendar month where persons who have decided to voluntarily exclude themselves from the premises have tried to gain entry
- (c) Number of mandatory exclusions needing enforcement in a calendar month along with a short description of the cause and effect
- (d) Attempts to enter by those under age in a calendar month along with short description of incident and action
- (e) Attempts to enter by those under age in the company of adults in a calendar month along with short description of incident and action
- (f) Attempts to enter by those under age with complicit adults in a calendar month along with short description of incident and action
- (g) Incidents of 'at risk behaviour' (to be defined when a data request is made) in a calendar month along with short description of incident and action
- (h) Incidents of 'behaviour requiring immediate intervention' (to be defined when a data request is made) in a calendar month along with short description of incident and action.

We will look to work with the trade to ensure inconvenience is minimised while we build up a picture of gambling risks and progress in risk management. Before any publication, information shared with the Licensing Team would be redacted as appropriate, so as to prevent dissemination of clearly sensitive personal data.

9.5.10. Knowledge

We expect all customer-facing and management staff in premises licensed under the Gambling Act 2005 to have sufficient knowledge to tackle risks associated with gambling and know how to promote responsible gambling. Amongst other elements, staff knowledge should include (where appropriate):

- (a) The importance of social responsibility (Premises may wish to seek an audit from GamCare or such other appropriate body in order to obtain a Certificate of Social Responsibility)
- (b) Causes and consequences of problem gambling
- (c) Identifying and communicating with vulnerable persons: primary intervention and escalation
- (d) Dealing with problem gamblers: exclusion (mandatory and voluntary) and escalating for advice/treatment
- (e) Refusal of entry (alcohol and drugs)
- (f) Age verification procedures and need to return stakes/withdraw winnings if under age persons found gambling

Part B – Premises Licences

- (g) Importance and enforcement of time/spend limits
- (h) The conditions of the licence
- (i) Maintaining an incident log
- (j) Offences under the Gambling Act
- (k) Categories of gaming machines and the stakes and odds associated with each machine
- (l) Types of gaming and the stakes and odds associated with each
- (m) Staff exclusion from gambling at the premises where they are employed and reasons for restriction
- (n) The "no tipping" rule, unless a common fund into which tips and service charges are paid for distribution to the staff (a "tronc") is established and conducted in accordance with current H.M. Revenue and Customs advice.
- (o) Ability to signpost customers to support services with respect to problem gambling, financial management, debt advice etc.
- (p) Safe cash-handling/payment of winnings
- (q) Identify forged ID and bar those using forged ID from the premises
- (r) Knowledge of a problem gambling helpline number (for their own use as well as that of customers)
- (s) The importance of not encouraging customers to:
 - Increase the amount of money they have decided to gamble
 - Enter into continuous gambling for a prolonged period
 - Continue gambling when they have expressed a wish to stop
 - Re-gamble winnings
 - Chase losses.

Above and beyond this we expect managers to have an in-depth knowledge of all of the above and be able to support staff in ensuring the highest standards with regard to protecting children and other vulnerable persons from being harmed or exploited by gambling.

In so far as training, we do not intend to duplicate any existing training requirement, such as may be required by the Gambling Commission's Code of Practice.

9.5.11. A self-exclusion scheme

We expect all premises to operate a voluntary exclusion scheme. This means that wherever customers request to be excluded from the premises, they are excluded for an agreed timeframe. A self-exclusion facility should be supported by a written agreement drawn up in accordance with the relevant code of practice and trade association advice. The premises take responsibility for ensuring the person who requests voluntary exclusion is not readmitted during the agreed period unless a counselling session has first been held and re-admittance agreed.

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9.5.12. Intervention to protect vulnerable persons from being harmed or exploited by gambling

We expect all premises offering gambling to have a mechanism in place to identify vulnerable persons and to monitor and intervene where customers may be gambling beyond their means or more than they would like. Intervention may include raising the customer's awareness of the existence of support services and the availability of a voluntary exclusion scheme. However intervention may also include directing a counselling session and following that session potentially mandatory exclusion.

Beyond the minimum standards outlined here, we do not wish to be overly prescriptive in how intervention shall proceed. This is a developing area and we feel there are benefits with different operators trying out different approaches; the best of which can then be taken forward on a wider scale.

9.5.13. The location of gambling premises

Locations for gambling premises, which may pose problems, include those in close proximity to premises frequented by children or other vulnerable persons e.g. schools or parks. Each case will be considered on its merits and if adequate measures are put in place in accordance with this policy to restrict access to children, protect vulnerable persons and prevent crime and disorder, there is no reason why one location poses substantively more risk than another. We recognise that the presence of gambling premises with a constant stream of trade in what may have formerly been an underused area may serve to reduce crime and disorder, however this will only be the case where necessary safeguards are put in place either by the operator or by the licensing authority in the form of licence conditions.

9.5.14. Layout and Access

Premises should ensure that appropriate systems and procedures are in place to ensure the exclusion of those persons who have requested to be excluded as well as under 18s (where appropriate). This should include, at minimum, a "Think 21" scheme with acceptable ID limited to either a photo driving licence, passport or PASS accredited proof-of-age scheme. Prominent signage at all entrances should indicate this requirement. We would encourage easily visible exit signs and large clock faces to be placed so that visitors do not lose track of time

Whilst under 18s CANNOT enter the vast majority of licensed gambling premises, there are exceptions. Under 18s CAN enter:

- The gambling areas of a bingo club other than areas containing category C and above gaming machines
- The gambling areas of a track (on race days) other than off-course betting and areas containing category C gaming machines
- Licensed Family Entertainment Centres (FEC)

(See the prescribed mandatory and default conditions and Gambling Commission guidance and codes of practice for details of under 18s rights of access and participation.).

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In the case of premises that are able to allow under 18s to access some gambling areas, due attention should be given to layout and access to ensure under 18s do not participate in gambling or gain access to areas where access is restricted, and that the areas are suitably monitored.

Where category C or above gaming machines are available in premises to which under 18s are admitted, we expect that:

- All such machines are located in an area of the premises separated from the remainder of the premises by a physical barrier which is effective to prevent access other than through a designated entrance
- Only over 18s are admitted to the area where these machines are located
- Access to the area where the machines are located is supervised
- The area where the machines are located is arranged so that it can be observed by staff of the operator or the licence holder
- At the entrance to, and inside any such area there are prominently displayed notices indicating that access to the area is prohibited to persons under 18.

Where under 18s are loitering outside the premises, steps should be taken by the premises licence holder to move them on, and consideration should be made to reporting this to the police or a truancy officer as appropriate.

Furthermore, premises should ensure that vulnerable persons are either excluded from gambling (in the case of those who are under the influence of alcohol or drugs, under voluntary exclusion or have been excluded for whatever other reason) or are under supervision with the possibility of intervention.

Whilst supervisors of entrances and exits may need to be registered with the Security Industry Authority, we expect all customer-facing and managerial staff in Southampton to show a due level of competence and understanding of responsible gambling. This may, for example, involve undergoing training and sitting an examination.

Sometimes several licences may be in place for just one premises or one licence may cover only part of the premises. In light of this operators must carefully consider the premises layout to ensure children and young persons (as appropriate) neither gain access to areas used for gambling nor are brought into close proximity to gambling.

9.5.15. Staff restrictions on access to gambling

Gambling premises staff are brought into close proximity with gaming and/or gaming machines on a regular basis and therefore may have a heightened vulnerability to problem gambling. There is also a risk of off duty staff colluding with their colleagues. For these reasons we feel staff must be excluded from gaming or gambling on the premises at which they work at all times. Larger operators may also want to consider offering an Employee Assistance Programme. Smaller operators may

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simply wish to refer staff with gambling problems to a local counselling service.

9.5.16. Staff to customer ratio

To ensure the safety of both customers and staff, sufficient staffing numbers should be in place at all times the premises is open. All premises will be expected to demonstrate that they will have in place a suitable staff to customer ratio as appropriate to the premises. A suitable ratio should take into account the protection of staff and customers with respect to the crime and disorder objective as well as the objective of protecting children and other vulnerable persons from being harmed or exploited by gambling.

When deciding their ratio we would advise premises to seek the advice of the Crime Reduction Officer prior to application.

9.5.17. Inducements to gamble

To further ensure the safety of both customers and staff and protect vulnerable persons from being harmed or exploited by gambling, premises should not use inducements to gamble such as free or cut price alcohol or food.

9.5.18. Advertising

Applicants will be required to demonstrate how they will comply with the relevant Gambling Commission code of practice and Advertising Standards Authority regulations in respect of advertisements. Advertising should not target 'vulnerable persons'.

9.5.19. On-premises provision of gambling advice

A risk-aware and gambling literate customer base with recourse to advice and assistance is likely to have a lesser chance of being harmed or exploited by gambling. Where people gamble we want them to do so for entertainment rather than in the expectation of a big win or to chase losses.

In light of this, we will expect that all gambling premises:

(a) Provide leaflets and posters, free telephone helpline and GamCare/GambleAware contact details aimed at customers and their families/friends, which will include how to identify signs of problem gambling and pathways to advice and assistance e.g. helpline number and online counselling facility. For every 100m² of gambling/gaming and/or gaming machines at least one prominent leaflet display must be provided along with a neighbouring poster to reinforce the message. Leaflets and posters should also be available in more discreet locations e.g. toilets.

(b) Prominently display details of odds with each gaming machine

Premises should liaise with the GambleAware to gain approval for leaflet and poster content and ensure pointers to local sources of help and guidance are up to date and relevant.

Whenever a customer expresses concern about their gambling, unless prevented from doing so by staff safety concerns, staff should provide

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them with a responsible gambling leaflet, suggest they contact the helpline number and make them aware of their self-exclusion facilities and local counselling services available.

9.5.20. Exclusion of those who appear to be under the influence of alcohol or drugs etc.

In order to protect both staff and those who are under the influence of alcohol or drugs (thereby potentially distorting their ability to make rational decisions), those persons who appear to be in such a state must be immediately excluded from the premises. Signage should be prominently displayed to indicate this. Please note with reference to those persons with a mental impairment or mental health difficulties, premises would be well-advised to consult a suitable Mental Health Advisor and formulate a policy to protect this category of vulnerable person from being harmed or exploited by gambling.

9.5.21. Safe Cash-handling

In the interest of preventing crime and disorder, we require all gambling premises in Southampton to have a minimum provision for safe cash-handling and thereby prevent against theft/robbery etc. We will expect minimum standards in terms of:

- The frequency of banking cash (to avoid large sums being involved)
- Use of security personnel for transport
- No. of staff handling cash at any one time
- A fully up to date CCTV system with records kept for an appropriate length of time (including signage to indicate the presence of such a system)
- Local and emergency contact details for the emergency services clearly displayed in office areas
- Consultation with a Crime Reduction Officer and regular security reviews

For security reasons, while we will not expect premises to tell us the precise details of the protocols they have in place, the licensing authority will need to be satisfied that effective procedures exist. It should be prominently publicised on-site that robust security measures are in place.

9.5.22. Safe payment of winnings

In the interest of preventing aggravated robbery etc. gambling premises should consider offering their customers a choice of methods by which their winnings may be paid. This could include either cheque or BACS payment. These options should be well publicised.

9.5.23. Adequate lighting inside and out

We expect all premises to have adequate lighting inside and out (appropriate to the premises in question) to ensure against robbery and other covert activity.

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9.5.24. Engagement with the police

In addition to the need to consult a local Crime Reduction Officer, the operators of new premises/premises undergoing a refurbishment should also engage with the police's architectural liaison unit at the design stage to ensure crime prevention and detection.

9.5.25. Specific types of premises and what we are looking for in respect of each

While we have outlined minimum standards we expect from all gambling premises in the previous section, any areas we need to stress, due to differences between premises types, are outlined below.

The Council will pay particular attention to any Codes of Practice, issued by the Gambling Commission in respect of specific types of premises.

10.0 General Principles

10.1 Premises licences are subject to the requirements set out in the Act and regulations, as well as specific mandatory and default conditions which will be detailed in regulations issued by the Secretary of State. Licensing Authorities are able to exclude default conditions and also attach others, where it is believed to be appropriate.

10.2 The Licensing Authority will aim to permit the use of premises for gambling in so far as it thinks it :

- (a) in accordance with any relevant code of practice under section 24,
- (b) in accordance with any relevant guidance issued by the Commission under section 25,
- (c) reasonably consistent with the licensing objectives (subject to paragraphs (a) and (b)), and
- (d) in accordance with the statement published by the authority under section 349 (subject to paragraphs (a) to (c))

10.3 The Licensing Authority appreciates that in accordance with the Gambling Commission's Guidance "moral objections to gambling are not a valid reason to reject applications for premises licences" (except as regards any "no casino" resolution – see section on Casinos below – paragraph 15 below) and also that unmet demand is not a criterion for the Licensing Authority.

10.4 Definition of "premises"

"Premises" is defined in the Act as "at any place". Different premises licences cannot apply in respect of a single premises at different times. However, it is possible for a single building to be subject to more than one premises licence, provided they are for different parts of the building and the different parts of the building can be reasonably regarded as being different premises. Whether different parts of a building can properly be regarded as being separate premises will always be a question of fact in the circumstances. However, the Gambling Commission does not consider that areas of a building that are

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artificially or temporarily separate can be properly regarded as different premises.

10.5 This Licensing Authority takes particular note of the Gambling Commission's Guidance to Local Authorities which states that (paragraphs 7.26 and 7.27):

“Licensing authorities should take particular care in considering applications for multiple licences for a building and those relating to a discrete part of a building used for other (non-gambling) purposes. In particular they should be aware that entrances and exits from parts of a building covered by one or more licences should be separate and identifiable so that the separation of different premises is not compromised and that people do not ‘drift’ into a gambling area. The plan of the premises should clearly denote entrances and exits.

For bingo and Family Entertainment Centres premises, it is a mandatory condition that under-18s should not have access to areas where category B and C gaming machines are located and this is achieved through further mandatory conditions that require the area to be:

- separated from the rest of the premises by a physical barrier which is effective to prevent access other than by an entrance designed for that purpose
- supervised at all times to ensure that under-18s do not enter the area, and supervised by either:
 - one or more persons whose responsibilities include ensuring that under-18s do not enter the areas
 - CCTV monitored by one or more persons whose responsibilities include ensuring that under-18s do not enter the areas
- arranged in a way that ensures that all parts of the area can be observed.

A notice must be displayed in a prominent place at the entrance to the area stating that no person under the age of 18 is permitted to enter the area. ”

10.6 Duplication with other regulatory regimes

The Licensing Authority will seek to avoid any duplication with other statutory or regulatory systems where possible, including planning. This authority will not consider whether a licence application is likely to be granted planning permission or building regulations approval, in its consideration of it. It will though, listen to, and consider carefully, any concerns about conditions that are not able to be met by licensees due to planning restrictions, should such a situation arise.

11.0 Conditions on premises licences

11.1 The Licensing Authority will ensure that any conditions imposed are proportionate to the circumstances which they are seeking to address, and will ensure that any premises licence conditions are:

- relevant to the need to make the proposed building suitable as a gambling facility (i.e. relate only to gambling, as appropriate under s.153);
- directly related to the premises and the type of licence applied for;

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- fairly and reasonably related to the scale and type of premises;
- not replicating requirements set out elsewhere (e.g. the Commission's Licence conditions and codes of practice (LCCP) or other legislation),
- not seeking to address a matter already dealt with by mandatory conditions and;
- reasonable in all other respects

11.2 Decisions upon individual conditions will be made on a case by case basis. The authority recognises conditions can only be imposed when necessary and any conditions imposed must be proportionate to the aim. There will be a number of measures this Licensing Authority will consider utilising, such as the use of supervisors, appropriate signage for adult only areas etc. There are specific comments made in this regard under some of the licence types below. This Licensing Authority will also expect the licence applicant to offer his/her own suggestions as to way in which the licensing objectives can be met effectively.

11.3 The Licensing Authority will also consider specific measures which may be required for buildings which are subject to multiple premises licences. Such measures may include:

- supervision of entrances;
- segregation of gambling from non-gambling areas frequented by children;
- supervision of gaming machines in non-adult gambling specific premises in order to pursue the licensing objectives.

These matters are in accordance with the Gambling Commission's Guidance.

11.4 The Licensing Authority will also ensure that where category C or above machines are on offer in premises to which children are admitted:

- all such machines are located in an area of the premises which is separated from the remainder of the premises by a physical barrier which is effective to prevent access other than through a designated entrance;
- only adults are admitted to the area where these machines are located;
- access to the area where the machines are located is supervised;
- the area where these machines are located is arranged so that it can be observed by the staff or the licence holder; and
- at the entrance to and inside any such areas there are prominently displayed notices indicating that access to the area is prohibited to persons under 18.

These considerations will apply to premises including buildings where multiple premises licences are applicable.

11.5 The Licensing Authority is aware that tracks may be subject to one or more than one premises licence, provided each licence relates to a specified area of the track. As per the Gambling Commission's Guidance, this Licensing

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Authority will consider the impact upon the third licensing objective and the need to endure that entrances to each type of premises are distinct and that children are excluded from gambling areas where they are not permitted to enter.

11.6 It is noted that there are conditions which the Licensing Authority cannot attach to premises licence which are:

- any condition on the premises licence which makes it impossible to comply with an operating licence condition;
- conditions relating to gaming machine categories, numbers, or methods of operation;
- conditions which provide that membership of a club or body be required (the Gambling Act 2005 specifically removes the membership requirement for casino and bingo clubs and this provision prevents it being reinstated); and
- conditions in relation to stakes, fees, winnings or prizes

11.7 Door Supervisors

The Gambling Commission advises in its Guidance to Local Authorities that licensing authorities may consider whether there is a need for door supervisors in terms of the licensing objectives of protection of children and vulnerable persons from being harmed or exploited by gambling, and also in terms of preventing premises becoming a source of crime. It is noted though that the door supervisors at casinos or bingo premises may/may not be licensed by the Security Industry Authority (SIA). This Licensing Authority therefore will take into consideration relevant criminal convictions, cautions or formal reprimands, if any, and training requirements that meet SIA standards. This is in recognition of the nature of the work in terms of searching individuals, dealing with potentially aggressive persons, etc.

11.8 For premises other than casinos and bingo premises, operators and licensing authorities may decide that supervision of entrances/machines is necessary for particular cases but it will need to be decided whether these need to be SIA licensed or not. It will not be automatically assumed that they need to be.

12.0 Other Legislation

12.1 The Licensing Authority will not take into account matters not related to gambling and the licensing objectives when considering an application for a premises licence. However, it is for the operator to ensure that premises comply with all other relevant legislation such as fire safety, food safety and health & safety. It should be noted that these examples are not exhaustive, and applicants must ensure that they comply with all other regulatory regimes in respect of their employees and the public.

12.2 So far as is possible, this statement of principles will avoid duplicating those other regulatory regimes.

13.0 Adult Gaming Centres (AGCs)

13.1 The Licensing Authority will specifically have regard to the need to protect children and vulnerable persons from harm or being exploited by gambling and

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will expect the applicant to satisfy the authority that there will be sufficient measures to ensure, for example, that persons under the age of 18 do not have access to the premises.

13.2 The Licensing Authority will expect applicants to offer their own measures to meet the licensing objectives however, appropriate measures / licence conditions may cover issues such as:

- Proof of age schemes
- CCTV
- Supervision of entrances/machine areas
- Physical separation of areas
- Location of entry
- Notices/signage
- Specific opening hours
- Self-barring schemes
- Provision of information leaflets/helpline numbers for organisations such as GamCare.

This list is neither mandatory nor exhaustive and is merely indicative of reasonable measures which might be in place.

14.0 Licensed Family Entertainment Centres

14.1 The Licensing Authority will specifically have regard to the need to protect children and children and vulnerable persons from harm or being exploited by gambling and will expect the applicant to satisfy the authority that there will be sufficient measures to ensure that persons under the age of 18 do not have access to the adult only gaming machine areas.

14.2 The Licensing Authority will expect applicants to offer their own measures to meet the licensing objectives however appropriate measures/licence conditions may cover issues such as:

- CCTV
- Supervision of entrances/machine areas
- Physical separation of areas
- Location of entry
- Notices/signage
- Specific opening hours
- Self-barring schemes
- Provision of information leaflets/helpline numbers for organisations such as GamCare/GambleAware
- Measures/training for staff on how to deal with suspected truant school children on the premises
- Ensuring there are no inducements to remain in the gaming areas longer than anyone can reasonably afford to

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This list is not mandatory, nor exhaustive, and is merely indicative of example measures.

- 14.3** The Licensing Authority will refer to any conditions applied by the Gambling Commission to operating licences covering the way in which the area containing the category C machines should be delineated. The Licensing Authority is also aware of mandatory and default conditions on these premises licences.

15.0 Casinos

15.1 “No Casino” resolution

The Licensing Authority has not passed a “no casino” resolution under Section 166 of the Gambling Act 2005, but is aware that it has the power to do so. Should the Licensing Authority decide in the future to pass such a resolution, it will update this policy statement with details of that resolution.

- 15.2** Such a resolution would be reviewed at three yearly intervals or sooner should the circumstances warrant a revision of the resolution. Any such decision will be made by Full Council. Such a resolution would not affect pre-existing licensed casinos.

Casinos and competing applications

- 15.3** On 26 February 2008 the Secretary of State issued the Code of Practice on Determinations relating to large and small Casinos. The Licensing Authority will comply with this Code which sets out:

- (a) the procedure to be followed in making any determinations required under Paragraphs 4 and 5 of Schedule 9 to the Gambling Act 2005; and
- (b) matters to which the Licensing Authority should have regard in making those determinations.

- 15.4** On 15 May 2008 the Categories of Casino Regulations 2008 and the Gambling (Geographical Distribution of Large and Small Casino Premises Licences) Order 2008 were approved and Southampton City Council was authorised to issue a Large Casino Premises Licence.

- 15.5** On 22nd March 2016 the Licensing Authority granted a Provisional Statement for a Large Casino to Aspers. That provisional statement shall last for a period of three years from that date but maybe extended on application. It is fully expected that this provisional statement shall be converted into a premises licence and development as part of the wider scheme shall be undertaken. If, however, the provisional statement is not converted into a premises licence in time, the authority may seek to run a further competition. If this is necessary, the Statement of Principles shall be amended, as appropriate, to set out the process and criteria.

15.6 Betting Machines

The Licensing Authority will, in accordance with the Gambling Commission's Guidance, take into account the size of the premises, the number of counter positions available for person-to-person transactions, and the ability of staff to monitor the use of the machines by children and young persons (it is an offence

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for those under 18 to bet) or by vulnerable people, when considering the number/nature/circumstances of betting machines an operator wants to offer.

16.0 Bingo Premises

16.1 The Licensing Authority has noted that if children are allowed to enter premises licensed for bingo that they must not participate in gambling, other than on category D machines. Where category C or above machines are available in premises to which children are admitted the Licensing Authority will ensure:

- all such machines are located in an area of the premises separate from the remainder of the premises by a physical barrier which is effective to prevent access other than through a designated entrance;
- only adults are admitted to the area where the machines are located;
- access to the area where the machines are located is supervised;
- the area where the machines are located is arranged so that it can be observed by staff of the operator or the licence holder; and
- at the entrance to, and inside any such area there are prominently displayed notices indicating that access to the area is prohibited to persons under 18.

16.2 This Licensing Authority will follow the guidance about the particular issues that licensing authorities should take into account in relation to the suitability and layout of bingo premises.

17.0 Betting Premises

17.1 **Betting machines** – The Licensing Authority will, in accordance with the Gambling Commission’s Guidance, take into account the size of the premises, the number of counter positions available for person-to-person transactions, and the ability of staff to monitor the use of the machines by children and young persons (it is an offence for those under 18 to bet) or by vulnerable people, when considering the number/nature/circumstances of betting machines an operator wants to offer.

18.0 Tracks

18.1 Tracks are sites (including horse racecourses and dog tracks) where races or other sporting events take place. Betting is a major gambling activity on tracks, both in the form of pool betting (often known as the “totalisator” or “tote”), and also general betting, often known as “fixed-odds” betting.

18.2 The Licensing Authority is aware that tracks may be subject to one or more than one premises licence, provided each licence relates to a specified area of the track. The Licensing Authority will especially consider the impact upon the third licensing objective (i.e. the protection of children and vulnerable persons from being harmed or exploited by gambling) and the need to ensure that entrances to each type of premises are distinct and that children are excluded from gambling areas where they are not permitted to enter.

18.3 The Licensing Authority will therefore expect the premises licence applicant to demonstrate suitable measures to ensure that children do not have access to

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adult only gaming facilities. It is noted that children and young persons will be permitted to enter track areas where facilities for betting are provided on days when dog-racing and/or horse racing takes place, but that they are still prevented from entering areas where gaming machines (other than category D machines) are provided.

18.4 This Licensing Authority will expect applicants to offer their own measures to meet the licensing objectives however appropriate measures / licence conditions may cover issues such as:

- Proof of age schemes
- CCTV
- Supervision of entrances / machine areas
- Physical separation of areas
- Location of entry
- Notices / signage
- Specific opening hours
- Self-barring schemes
- Provision of information leaflets / helpline numbers for organisations such as GamCare

This list is not mandatory, nor exhaustive, and is merely indicative of example measures.

18.5 Gaming machines

The Licensing Authority will consider the location of gaming machines at tracks, and applicants for track premises licences will need to demonstrate that, where the applicant holds a pool betting operating licence and is going to use his entitlement to four gaming machines, these machines are located in areas from which children are excluded. Children and young persons are not prohibited from playing category D gaming machines on a track.

18.6 Betting machines

The Licensing Authority will take into account the size of the premises and the ability of staff to monitor the use of the machines by children and young persons (it is an offence for those under 18 to bet) or by vulnerable people, when considering the number/nature/circumstances of betting machines an operator wants to offer. It will also take note of the Gambling Commission's suggestion that licensing authorities will want to consider restricting the number and location of such machines in respect of applications for track betting premises licences.

18.7 Condition on rules being displayed

The Gambling Commission has advised in its Guidance to Local Authorities that "...licensing authorities should attach a condition to track premises licences requiring the track operator to ensure that the rules are prominently

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displayed in or near the betting areas, or that other measures are taken to ensure that they are made available to the public. For example, the rules could be printed in the race-card or made available in leaflet form from the track office.”

18.8 Applications and plans

This Licensing Authority note the guidance states the following with regard to defining the premises:

- 18.9** S.151 of the Act requires applicants for premises licences to submit plans of the premises with their application. This ensures that licensing authorities have the necessary information to make an informed judgement about whether the premises are fit for gambling. The plan also informs future premises inspection activity.
- 18.10** Plans for tracks need not be in a particular scale, but should be drawn to scale and should be sufficiently detailed to include the information required by regulations.
- 18.11** In the majority of cases, such as greyhound tracks, racecourses, football stadia and cricket grounds, defining the extent of boundaries may be assisted by reference to existing plans already submitted to obtain other permissions. These could include:
- the obtaining of a safety certificate under ‘Safety at Sports Ground’ legislation (this applies in respect of sports grounds with capacity to accommodate more than 10,000 spectators)
 - the historic boundaries under previous legislation such as, the approval of tracks under Schedule 3 of the Betting, Gaming and Lotteries Act 1963.
- 18.12** It is sometimes difficult to define the precise location of betting areas on tracks. The precise location of where betting facilities are provided is not required to be shown on track plans, both by virtue of the fact that betting is permitted anywhere on the premises and because of the difficulties associated with pinpointing exact locations for some types of track. Licensing authorities should satisfy themselves that the plan provides sufficient information to enable them to assess an application.
- 18.13** As the plan forms part of the licence document, it also needs to be sufficiently flexible to ensure that a relatively small change in the premises layout would not require an operator to submit an application to vary the track premises licence. Only a significant change to the track layout would require a licence variation. For example, moving a category C gaming machine from one end of a bar that had been marked on the plan as a gaming machine area to another may not necessitate a full variation to a tracks premises licence, nor would the establishment of a new betting area at a racetrack, as neither of these events have any impact on the purpose of the licence or the conditions attached to it. However, relocating category C machines to entirely different parts of a track

would generally need to be the subject of an application to vary the premises licence.

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19.0 Travelling Fairs

- 19.1** It will fall to the Licensing Authority to decide whether, where category D machines and / or equal chance prize gaming without a permit is to be made available for use at travelling fairs, the statutory requirement that the facilities for gambling amount to no more than an ancillary amusement at the fair is met.
- 19.2** The Licensing Authority will also consider whether the applicant falls within the statutory definition of a travelling fair.
- 19.3** It has been noted that the 27-day statutory maximum for the land being used as a fair, is per calendar year, and that it applies to the piece of land on which the fairs are held, regardless of whether it is the same or different travelling fairs occupying the land. This licensing authority will work with its neighbouring authorities to ensure that land which crosses our boundaries is monitored so that the statutory limits are not exceeded.

20.0 Provisional Statements

- 20.1** The Licensing Authority notes at 11.11 of the Guidance for the Gambling Commission it states that “S.210 of the Act, which applies to both premises licences and provisional statements, makes it clear that a licensing authority must not have regard to whether or not a proposal by the applicant is likely to be permitted in accordance with planning or building law.”.
- 20.2** In terms of representations about premises licence applications, following the grant of a provisional statement, no further representations from responsible authorities or interested parties can be taken into account unless they concern matters which could not have been addressed at the provisional statement stage, or they reflect a change in the applicant’s circumstances. In addition, the authority may refuse the premises licence (or grant it on terms different to those attached to the provisional statement) only by reference to matters:
- (a) which could not have been raised by objectors at the provisional stage; or
 - (b) which, in the authority’s opinion, reflect a change in the operator’s circumstances.

21.0 Reviews of premises licences

- 21.1** Requests for a review of a premises licence can be made by interested parties or responsible authorities, however, it is for the Licensing Authority to decide whether the review is to be carried out. This will be on the basis of whether the request for the review is relevant to the matters listed below, as well as consideration as to whether the request is frivolous, vexatious, will certainly not cause the authority to wish alter/revoke/suspend the licence, or whether it is substantially the same as previous representations or requests for review:
- In accordance with any relevant code of practice issued by the Gambling Commission;
 - In accordance with any relevant guidance issued by the Gambling Commission;
 - Reasonably consistent with the licensing objectives; and

Part B – Premises Licences

- In accordance with the Licensing Authority's statement of principles.
- 21.2** The Licensing Authority can also initiate a review of a licence on the basis of any reason which it thinks is appropriate.

Part C – Permits / Temporary & Occasional Use Notices

Part C – Permits, Temporary and Occasional Use Notices

22.0 Unlicensed Family Entertainment Centre Gaming Machine Permits

22.1 Where a premises does not hold a premises licence but wishes to provide gaming machines, it may apply to the Licensing Authority for this permit. It should be noted that the applicant must show that the premises will be wholly or mainly used for making gaming machines available for use (Section 238).

22.2 The Gambling Act 2005 states that a Licensing Authority may prepare a statement of principles that they propose to consider in determining the suitability of an applicant for a permit and in preparing this statement, and/or considering applications, it need not (but may) have regard to the licensing objectives and shall have regard to any relevant guidance issued by the Gambling Commission under Section 25.

22.3 The Guidance also states: "...An application for a permit may be granted only if the Licensing Authority is satisfied that the premises will be used as an unlicensed FEC, and if the Chief Officer of Police has been consulted on the application."

22.4 The Licensing Authority cannot attach conditions to this type of permit.

22.5 The Licensing Authority will expect the applicant to show that there are policies and procedures in place to protect children from harm. Harm in this context is not necessarily limited to harm from gambling but includes wider child protection considerations. The efficiency of such policies and procedures will each be considered on their merits; however, they may include the following:

- appropriate measures / training for staff as regards suspected truant school children on the premises,
- measures / training covering how staff would deal with unsupervised very young children being on the premises, or children causing perceived problems on / around the premises.

22.6 The Licensing Authority will also expect that

- applicants demonstrate a full understanding of the maximum stakes and prizes of the gambling that is permissible in unlicensed FECs;
- the applicant shall disclose relevant convictions (those that are set out in Schedule 7 of the Act) in order that the Licensing Authority may consider whether it would be contrary to the licensing objectives to grant a permit; and
- staff are trained to have a full understanding of the maximum stakes and prizes.

Part C – Permits / Temporary & Occasional Use Notices

23.0 Alcohol Licensed Premises Gaming Machine Permits

23.1 There is provision in the Act for premises licensed to sell alcohol for consumption on the premises, to automatically have two gaming machines, of categories C and/or D. The premises merely need to notify the Licensing Authority. The Licensing Authority can remove the automatic authorisation in respect of any particular premises if:

- provision of the machines is not reasonably consistent with the pursuit of the licensing objectives;
- gaming has taken place on the premises that breaches a condition of section 282 of the Gambling Act (i.e. that written notice has been provided to the licensing authority, that a fee has been provided and that any relevant code of practice issued by the Gambling Commission about the location and operation of the machine has been complied with)
- the premises are mainly used for gaming; or
- an offence under the Gambling Act has been committed on the premises

23.2 If a premises wishes to have more than 2 machines, then it needs to apply for a permit and the Licensing Authority must consider that application based upon the licensing objectives, any guidance issued by the Gambling Commission, and “such matters as they think relevant.”

23.3 The Licensing Authority considers that “such matters” will be decided on a case by case basis but generally there will be regard to the need to protect children and vulnerable persons from being harmed or being exploited by gambling and will expect the applicant to satisfy the authority that there will be sufficient measures to ensure that persons under the age of 18 do not have access to the adult only gaming machines. Measures which will satisfy the authority may include:

- The adult machines being in sight of the bar, or in the sight of staff who will monitor that the machines are not being used by persons under the age of 18;
- Notices and signage; and
- Provision of information leaflets/helpline numbers for organisations such as GamCare.

23.4 The Licensing Authority recognises that some alcohol licensed premises may apply for a premises licence for their non-alcohol licensed areas. Any such application would most likely need to be applied for, and dealt with as an Adult Gaming Centre premises licence.

23.5 The Licensing Authority can decide to grant the application with a smaller number of machines and/or a different category of machines than that applied for. Conditions (other than these) cannot be attached.

23.6 It should also be noted that the holder of a permit must comply with any Code of Practice issued by the Gambling Commission about the location and operation of the machine.

Part C – Permits / Temporary & Occasional Use Notices

24.0 Prize Gaming Permits

24.1 In making its decision on an application for this permit the Licensing Authority does not need to have regard to the licensing objectives but must have regard to any Gambling Commission guidance.

24.2 The applicant should set out the types of gaming that he or she is intending to offer and should be able to demonstrate:

- that they understand the limits to stakes and prizes that are set out in Regulations; and
- that the gaming offered is within the law

24.3 It should be noted that there are conditions in the Gambling Act 2005 with which the permit holder must comply, but that the Licensing Authority cannot attach conditions. The conditions in the Act are:

- the limits on participation fees, as set out in regulations, must be complied with;
- all chances to participate in the gaming must be allocated on the premises on which the gaming is taking place and on one day; the game must be played and completed on the day the chances are allocated; and the result of the game must be made public in the premises on the day that it is played;
- the prize for which the game is played must not exceed the amount set out in regulations (if a money prize), or the prescribed value (if non-monetary prize); and
- participation in the gaming must not entitle the player to take part in any other gambling.

25.0 Club Gaming and Club Machine Permits

25.1 Members Clubs and Miners' Welfare Institutes may apply for a Club Gaming Permit or a Clubs Gaming machines permit. The Club Gaming Permit will enable the premises to provide gaming machines (3 machines of categories B, C or D), equal chance gaming and games of chance as set-out in regulations. A Club Gaming Machine permit will enable the premises to provide gaming machines (3 machines of categories B, C or D).

25.2 Members clubs must have at least 25 members and be established and conducted "wholly or mainly" for purposes other than gaming, unless the gaming is permitted by separate regulations. A members' club must be permanent in nature, not established to make commercial profit, and controlled by its members equally. Examples include working men's clubs, branches of Royal British Legion and clubs with political affiliations.

25.3 The Licensing Authority may only refuse an application on the grounds that:

- (a) the applicant does not fulfil the requirements for a members' or commercial club or miners' welfare institute and therefore is not entitled to receive the type of permit for which it has applied;
- (b) the applicant's premises are used wholly or mainly by children and/or young persons;

Part C – Permits / Temporary & Occasional Use Notices

- (c) an offence under the Act or a breach of a permit has been committed by the applicant while providing gaming facilities;
- (d) a permit held by the applicant has been cancelled in the previous ten years; or
- (e) an objection has been lodged by the Commission or the police

25.4 There is a “fast-track” procedure available under the Act for premises which hold a Club Premises Certificate under the Licensing Act 2003. Under the fast-track procedure there is no opportunity for objections to be made by the Gambling Commission or the police, and the ground upon which an authority can refuse a permit are reduced and the grounds on which an application under the process may be refused are:

- (a) that the club is established primarily for gaming, other than gaming prescribed under schedule 12;
- (b) that in addition to the prescribed gaming, the applicant provides facilities for other gaming; or
- (c) that a club gaming permit or club machine permit issued to the applicant in the last ten years has been cancelled.”

25.5 There are statutory conditions on club gaming permits that no child uses a category B or C machine on the premises and that the holder complies with any relevant provision of a code of practice about the location and operation of gaming machines.

26.0 Temporary Use Notices

26.1 There are a number of statutory limits as regards Temporary Use Notices. It is noted that it falls to the Licensing Authority to decide what constitutes a ‘set of premises’ where Temporary Use Notices are received relating to the same building/site.

26.2 As with “premises” the definition of “a set of premises” will be a question of fact in the particular circumstances of each notice that is given. In the Act “premises” is defined as including “any place”. In considering whether a place falls within the definition of a set of premises the Licensing Authority will look at, amongst other things, the ownership/occupation and control of the premises.

26.3 The Licensing Authority will consider objecting to Temporary Use Notices where it appears that their effect would be to permit regular gambling in a place that could be described as one set of premises

27.0 Occasional Use Notices

27.1 The Licensing Authority has very little discretion as regards these notices aside from ensuring that the statutory limit of 8 days in a calendar year is not exceeded. The Licensing Authority will need, though, to consider the definition of a “track” and whether the applicant is permitted to avail him/herself of the notice.

Part D – Other Information

Part D – Other Information

28.0 Rights of Appeal and Judicial Review

28.1 The Licensing Authority is aware that its decisions may be subject to an appeal in accordance with the provisions of the Act and judicial review. To ensure a transparent decision making process the Licensing Authority will:

- give clear and comprehensive reasons for a rejection of an application where there is a requirement in the Act to do so; and
- wherever practicable, as best practice, give clear and comprehensive reasons for all decisions connected to its functions under the Act, regardless of whether there is a requirement under the Act to do so.

28.2 An appeal may be commenced by the giving of a notice of appeal by the appellant to the local magistrates' court within a period of 21 days beginning with the day on which the appellant was notified by the Licensing Authority of the decision to be appealed against.

28.3 Any person who wishes to pursue an appeal is strongly advised to seek independent professional legal advice from a legal advisor who specialises in the law on gambling.

29.0 Other Matters

29.1 In order to ensure that applicants and persons who make representations have the necessary information to be able to do so, the information below will be available on the Council's website (www.southampton.gov.uk/licensing) or by contacting the Licensing Team:

- Register of premises licences issued by the Licensing Authority
- Fees
- Guidance on how to make an application
- List of responsible authorities and contact details
- Application forms, where appropriate
- Making representations
- Applying for a review of a licence

Part D – Other Information

30.0 The Licensing Authority Delegations

Matter to be dealt with	Full Council	Licensing Committee or Sub-Committee	Officers
Three year licensing statement of principles	X		
Policy not to permit casinos	X		
Fee setting (when appropriate)		Full Licensing Committee	
Application for premises licence		Where representations have been received and not withdrawn (save in respect of any application for a Large Casino which will be heard by the full Licensing Committee)	Where no representations received/ representations have been withdrawn
Application for a variation to a premises licence		Where representations have been received and not withdrawn	Where no representations received/ representations have been withdrawn
Application for a transfer of a premises licence		Where representations have been received from the Commission	Where no representations received from the Commission
Application for a provisional transfer		Where representations have been received and not withdrawn	Where no representations received/ representations have been withdrawn
Review of a premises licence		X	
Application for club gaming/ club machine permits		Where objections have been made (and not withdrawn)	Where no objections made/ objections have been withdrawn
Cancellation of club gaming/ club machine permits		X	
Applications for other permits			X
Cancellation of licensed premises gaming machine permits			X

Part D – Other Information

Matter to be dealt with	Full Council	Licensing Committee or Sub-Committee	Officers
Consideration of temporary use notice			X
Decision to give a counter notice to a temporary use notice		X	
Decision to determine an application without holding a hearing on grounds contained within S.162 (3)			X
Decision to reject an application for review made under S.197 based on grounds contained within S.198			X
Take “action” (under S.202) following review		Where application heard by Sub-Committee	Where no hearing and all parties agree in advance to relevant “action”.

Appendix

31.0 Appendix A – Map of Southampton



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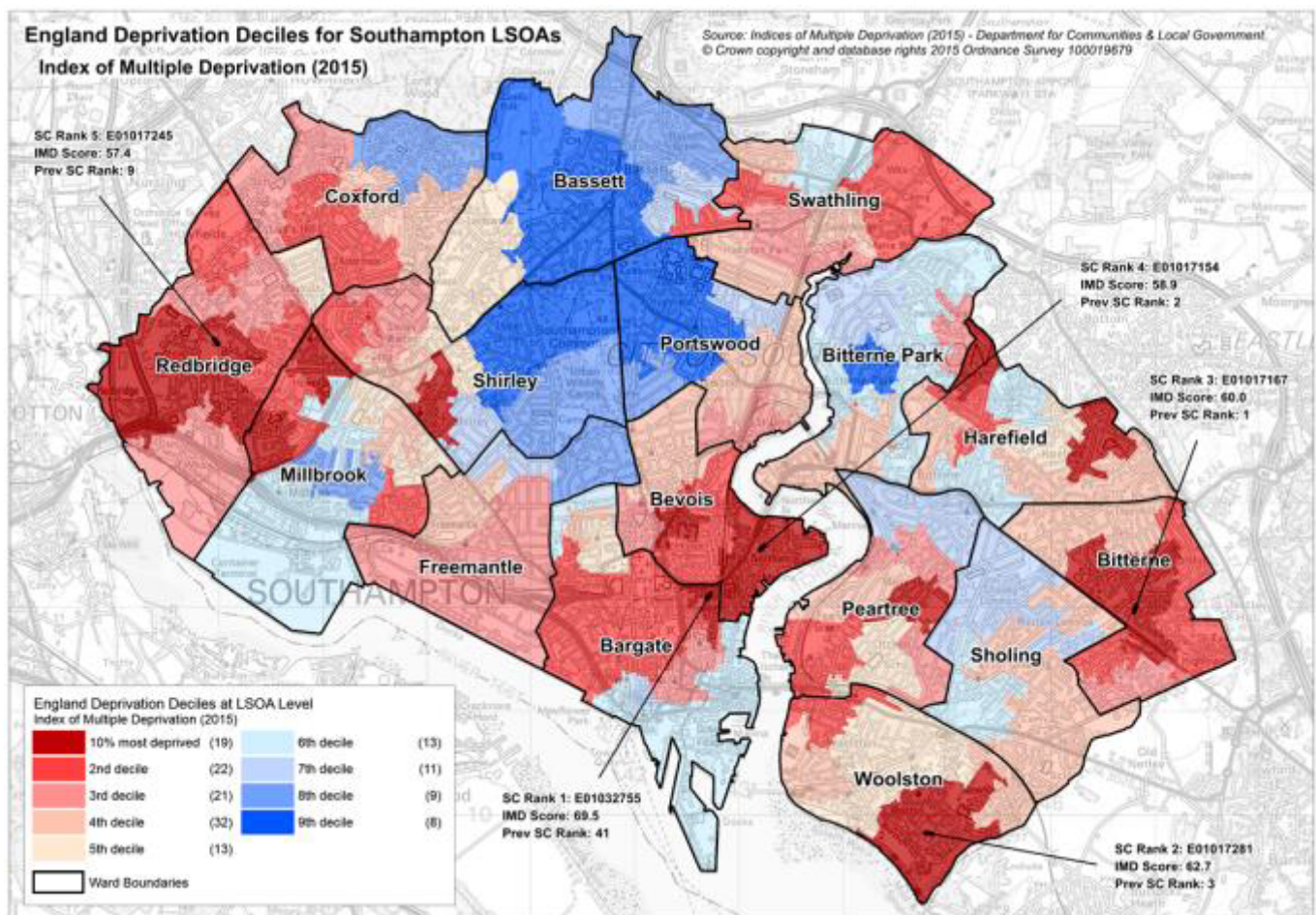
Appendix

32.0 Appendix B Local Profile

Southampton has a young demographic compared to the England average. There are about 60,000 children aged between 0 and 19 years of age living in Southampton. Ethnic diversity is increasing and about a quarter of children and young people live in poverty.(From Joint Strategic Needs assessment)

Deprivation

The map below provides details on the scale of deprivation across the city in 2015, the deeper the red the more deprived an area is whereas a deeper blue indicates the least deprived.



There have been some changes in rank since 2010 but the following areas have remained in the 5 most deprived areas in Southampton:

- Weston (International Way),
- Thornhill (Lydgate Road),
- Northam (housing estate).

However, LSOA E01017245 (Redbridge – Mansel Park) and E01032755 (Stadium/Northam) are now also in the top 5 most deprived neighbourhoods. The latter is now ranked 1, previously in IMD 2010, this area was ranked 41; this is a significant decline for this LSOA.

Appendix

When analysing the changes over time, in a number of LSOAs in Southampton by domain, the following have been identified:

Improving:

- The Crime domain has showed the largest improvement with 28.8% of LSOAs moving to a more deprived decile compared with 37.4% of LSOAs improving. However, crime is still a significant factor in the overall IMD score for the city, with almost half of Southampton LSOAs ranked within the 20% most crime deprived in England.

No change:

- There was little or no overall change for the Income domain, however, Income Deprivation Affecting Older People Index (IDAOPI) has deteriorated whilst Income Deprivation Affecting Children Index (IDACI) has improved.
- There was also little or no overall change for the, Education, Skills & Training domain, although the sub domain for adult skills has deteriorated whilst the sub domain for children and young people has improved. Despite this improvement, the children and young people sub domain is still an important factor in the city's overall IMD score, with almost 40% of LSOAs ranked within the 20% most deprived in England.

Worsened

- The Health Deprivation and Disability domain has seen the largest deterioration with 64.7% of LSOAs moving into a more deprived decile and only 2.9% improving.
- The Employment domain has also seen some deterioration with 33.1% of LSOAs moving into a more deprived decile and only 11.5% improving.
- The Living Environment domain has also seen some deterioration with 44.6% of LSOAs moving into a more deprived decile and 26.6% improving. This is entirely due to a deterioration in the 'outdoor' sub domain (air quality and road traffic accidents involving injury to pedestrians and cyclists) with 56.1% of LSOAs moving into a more deprived decile and 2.9% improving. In fact, for this sub domain, approximately 88% of Southampton LSOAs are now ranked within the 20% most deprived in England.

Housing

Homelessness is reported as spread evenly across the city with no ward or wards standing out as a particular problem. However the larger Council estate areas generally see less homelessness than other areas.

Extract from the SCC Homeless Prevention Strategy

Like the rest of the South East, Southampton's property prices continue to grow at a rate that puts home ownership out of reach for the majority of households. As such the demand for social housing in the city is extremely high, and waiting times for an affordable home can often reach up to seven years. Consequently the private rented sector has become a very useful source of meeting local housing needs and has grown to become one of the largest private rented sectors in the South East.

Private rented homes in the city vary in quality, size and cost but generally rent levels are lower here (especially in some areas of the city), than other parts of the region

Appendix

such as the New Forest and Winchester. As a result, people on limited incomes can find themselves priced out of these more expensive housing areas, causing them to move to Southampton out of economic necessity, placing greater strain on the city's housing supply.

Agenda Item 11

Appendix 2

Response from	Points raised	Officer comment
Bingo Association	Suggest add “and above” to 9.5.14	SLP now includes this
Gamble Aware	Do not provide specific feedback but commend two publications from the Local government Association	Officers are aware of these documents and their content. Consider there is nothing in these documents to warrant any alterations to the SLP.
Gamcare	Do not provide specific feedback but provide a list of factors they think will be helpful to consider	Officers aware of the points raised and do not consider alterations to the proposed SLP is necessary
Association of British Bookmakers (via Gosschalks solicitors)	<p>Para 9.5.2 states the most recent LCCP guidance was revised in 2015, it has been revised further in 2018</p> <p>At para 9.5.6 they argue the bullet point list of categories of vulnerable people be removed.</p> <p>9.5.12 The wording suggests the applicant is to provide counselling sessions, which they are not in a position to do</p> <p>9.5.14 refers to Challenge 21 which is the LA03 scheme, the GA05 is “Think 21”</p> <p>At 9.5.17 deals with inducement to gamble and suggests premises do not offer free or cut price alcohol or food, ABB advise premises for years have provided free tea, coffee and biscuits and request clarification.</p> <p>ABB request 11.2 should be expanded to make it clear that the mandatory and default conditions are usually sufficient to ensure operation that is reasonably consistent</p>	<p>Para 9.5.2 has been amended to reflect this and the new guidance considered. It does not require further change to the SLP</p> <p>The authority is at liberty to make policy and give clear guidance on considerations applicants need to address. No change to the SLP</p> <p>Wording amended to read “directing to a counselling session”</p> <p>Paragraph amended to read Think 21</p> <p>Officers consider the wording appropriate and will not prevent this practice from continuing unless it is shown it is acting as an inducement to gamble.</p> <p>This is not necessary as in 11.1 one of the points is</p> <ul style="list-style-type: none"> not seeking to address a matter already dealt with by mandatory conditions and; <p>Therefore no change made</p>

	with the licensing objectives and additional conditions will only be necessary where there is evidence of a risk to the licensing objectives in the circumstances of a particular case that requires that the mandatory and default conditions be supplemented.	
SCC Public Health	Support the SLP and wish to build on partnership working	No changes necessary
Race Course Association	Note the document but advise they have no premises in our area so no comment	No change necessary
Talarius Ltd (a Gaming operator)	<p>Suggest 9.1 (d) includes the Authority must also refer to its Statement when taking decisions.</p> <p>They comment on 9.5.6 but do not seek amendment.</p> <p>They challenge the wording of 9.5.7 advising conditions can only be imposed if necessary and proportionate and the wording suggests otherwise.</p> <p>9.5.9 lists records expected to be kept, Talarius suggest this is excessive as it is covered by the LCCP. The list in the SLP exceeds the LCCP.</p> <p>9.5.9 Talarius consider stating the list is not exhaustive is not enforceable</p> <p>9.5.9 (g) Talarius question the need for this.</p>	<p>Officers consider this is covered in the paragraphs that follow 9.1(d)</p> <p>Officers satisfied in the title of that paragraph it states “exploited by gambling”. No change necessary</p> <p>Wording is adequate, we state “where appropriate”, therefore when necessary and proportionate, no requirement to change</p> <p>The authority is at liberty to publish its own policy and give clear guidance to applicants. Consider no change required.</p> <p>We do not wish to provide a defined list and therefore include the comment “not exclusive to”. This will provide the opportunity to consider other evidence when working with the trade to establish patterns of problem gambling. No change required</p> <p>This allows the authority to specify the type of risk data it is seeking. No change required.</p>

	<p>9.5.9 (e) and (f) appear the same</p> <p>They suggest GDPR implications are addressed here</p> <p>9.5.11, 9.5.12, 9.5.14, 9.5.18 and 9.5.19: These paragraphs all duplicate LCCP requirements and, as such, we submit are inappropriate</p> <p>9.5.13: As the authority appreciates, issues of planning are irrelevant under the Act and we suggest that is highlighted in this paragraph.</p> <p>9.5.19 – page 20: the RGT is now called GambleAware. It does not provide approval of leaflet and poster content. Again, such issues is covered by the LCCP and to deal with it in the Draft would be inappropriate duplication.</p> <p>Para 16 and 17: the list of possible measures and conditions set out for AGCs and FECs are not repeated for Bingo or Betting premises, despite the fact that both provide access to gaming machines as well as other activities and the bets/stakes/prizes at such premises can be considerably higher than in AGCs and FECs. We suggest that this</p>	<p>They are not the same, one a young person enters with adults, the other it enters with complicit adults. The first suggests a young person entering at the same time as an adult, the other when entering with an adult who is the company of the young person. No change required.</p> <p>There is already mention of the data being redacted to prevent the sharing of sensitive data, consider this is sufficient. No change required.</p> <p>Inclusion in the policy ensures applicants and licence holders are clear on the expectations. No change required.</p> <p>There is no requirement to place this in the SLP. No change required.</p> <p>RGT replaced by GambleAware, otherwise no change</p> <p>The types of premises are distinctly different and do not consider the inclusion of the list adds to the SLP</p>
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	<p>unjustified inconsistency be remedied.</p> <p>Para 22.5 We are confused as to why “harm” in the context of UFEC permits is broader than it is for licensed premises where gaming machines of a higher category are present. Both types of permissions are creatures of the Act and subject to the same Licensing Objectives. The 3rd licensing objective is very clear that it relates to harm or exploitation by gambling – as is appreciated at para 9.5.6 of the Draft. As such, we do not think it can be correct that applicants for a permit are expected to consider harm to children in a wider sense.</p>	<p>This is dealing with the suitability of an applicant and looking at the Gambling commission guidance for UFEC in particular to para 24.8. We do acknowledge the point raised and have inserted the word ‘necessarily’ on line 3 of the paragraph.</p>
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DECISION-MAKER:	COUNCIL		
SUBJECT:	ADDITION OF FUNDS TO THE HIGHWAYS CAPITAL PROGRAMME		
DATE OF DECISION:	21 NOVEMBER 2018		
REPORT OF:	CABINET MEMBER FOR TRANSPORT & PUBLIC REALM		
<u>CONTACT DETAILS</u>			
AUTHOR:	Name:	COLIN PERRIS	Tel: 023 8083 3541
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STATEMENT OF CONFIDENTIALITY	
NOT APPLICABLE	
BRIEF SUMMARY	
This report seeks approval for the addition of £2.98M, with approval to spend, to the Highways Capital Programme in 2018/19.	
RECOMMENDATIONS:	
(i)	To approve an increase to the Highways Capital Programme totalling £2.98M in 2018/19.
(ii)	To grant approval to spend of the additional £2.98M in 2018/19.
REASONS FOR REPORT RECOMMENDATIONS	
1.	The authority needs to ensure that available grant funding is used appropriately and in a timely manner.
2.	The additional funding will help enable the conclusion of the 2018/19 routine road maintenance programme along with completing the significant investment in the network through the £8M additional road programme.
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED	
3	A smaller programme than that proposed would undermine the essential support for the ongoing development of the City, fail to meet the objectives set out in the Local Transport Plan (LTP3), or deliver any noticeable improvement in the basic highway infrastructure.
DETAIL (Including consultation carried out)	
4	The Council is continuing to invest in the highway and Public Realm Infrastructure of the City to help offset the continuing deterioration of the City's roads and footways.
5	The Local Transport Plan (LTP3) and Transport Asset Management Plan (TAMP) provides the transportation policies and methodology for prioritisation of highways spend.

6	The Council is aware of the increasing number of unclassified roads that are in need of imminent attention (condition Red). Currently approx. 24% of the unclassified network is in this condition. The majority of the unclassified road network comprises residential roads.
7	To reduce the number of unclassified roads in condition Red and at the same time prevent other deteriorating roads from reaching this condition, a minimum of approx. 60 % of the available unclassified roads budget was assigned to treat roads in Red condition, based on the most recently available data.
8	A focus of the unclassified roads budget has been to address /repair concrete roads in the City. These roads generally have poor ‘ride quality’ and are often unsightly. The approach will be to inspect those that have been identified through condition surveys and the Council’s asset management processes and treat the surfacing and joints to prolong asset life. This allocation will aide with reducing the problem across the City and prevent further issues on ‘ride quality’ and noise generated by traffic use.
9	A sum of £0.21M is to be added to the Pot Hole Action Fund Project to deliver structural patching works on roads with significant pot hole issues. This will be funded by the DfT Pot Hole Grant.
10	A sum of £0.73M is to be added to the Highways Network Delivery Project to deliver remedial works on the South East Rd embankment, correction of a multitude of long-standing failings of design standards on the highway at the northern gateway site to the City at Chilworth Roundabout and prioritised sites for Drainage improvement works. This will be funded by £0.52M of Highway maintenance incentive element DfT Grant and £0.21M of Community Infrastructure Levy (CIL).
11	A sum of £0.61M is to be added to Principal Roads, £0.96M to Classified Roads and £0.48M to Unclassified Roads all within the Main Roads Programme scheme to enable the conclusion of the 2018/19 routine road maintenance programme. This will be funded by £0.43M of DfT LTP Grant following a virement from Integrated Transport, £0.97M of CIL and £0.65M of Government Grant.

RESOURCE IMPLICATIONS

Capital/Revenue

12	The total value of the Highways Capital Programme in 2018/19 will be increased to £24.03M.
13	This capital expenditure will be fully funded as detailed in Appendix 1.
14	The ongoing revenue implications of these schemes can be accommodated within existing budgets on the assumption that current maintenance levels are maintained..

Property/Other

15	There are no property implications as a result of this report.
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LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

16	Each Capital scheme will be delivered in accordance with a variety of Highways and Environmental legislation, including but not limited to:- the Highways Act 1980, Road Traffic Regulation Act 1994, Traffic Management Act 2004, and s.1 Localism Act 2011.
<u>Other Legal Implications:</u>	
17	Procurement of Schemes will be carried out in accordance with the Council's procurement strategy, existing and newly procured partnership contracts and in accordance with National and European procurement legislation and directives. Design and implementation of schemes will take into account the provisions of s.17 Crime and Disorder Act 1998 and the impact of schemes on individuals and communities will be assessed against Human Rights Act 1998 and Equalities legislation provisions.
RISK MANAGEMENT IMPLICATIONS	
18	The package of measures will be managed and delivered under the remit of the Supplier Management Team using existing resources and governance structures. As the highway authority for Southampton, SCC has responsibility to maintain and improve the highways network within its administrative boundary and has an established process in place for overseeing and delivering capital infrastructure schemes such as the ones outlined within this proposal. SCC and its Highways Partner Balfour Beatty Living Places (BBLP) are fully resourced for a major programme of works such as these.
POLICY FRAMEWORK IMPLICATIONS	
19	The City Council is a Local Transport Authority as laid down in the Transport Act 2000 and the Council's relevant Policy Framework is the City of Southampton Local Transport Plan (LTP3).
20	The importance of the condition of the highway network in terms of defects, as well as its ability to assist in providing high quality transport for all modes, cannot be understated in terms of providing an indication of the health and vitality of the City. Increased investment by the Council can only signal to businesses and residents that Southampton is a location to invest and commit to.

KEY DECISION?	Yes/No
WARDS/COMMUNITIES AFFECTED:	All
<u>SUPPORTING DOCUMENTATION</u>	
Appendices	
1.	Highways Capital Programme – Sources of funding 2018/19 v2
2.	

Documents In Members' Rooms

1.	None.
2.	

Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.		Yes/No
Data Protection Impact Assessment		
Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out.		Yes/No
Other Background Documents		
Other Background documents available for inspection at:		
Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)	
1.		
2.		

Appendix 1 - 2018/19 Highways Programme Proposals

Capital Scheme	Budget		
	Existing	Proposed	Difference
	£'M	£'M	£'M
Additional Roads Programme	8.000	8.000	0.000
Pothole Action Fund	0.091	0.296	0.205
Cycleways Improvements Programme	0.855	0.855	0.000
Anti-Terrorist Measures	1.046	1.046	0.000
Footways - Various Treatments	0.540	0.540	0.000
Highways Network Delivery	0.000	0.725	0.725
Highways Drainage Investigations	0.192	0.192	0.000
Road Restraint Systems	0.250	0.250	0.000
Principal Roads	0.000	0.606	0.606
Millbrook Roundabout Detailed Design	7.446	7.446	0.000
Classified Roads	0.500	1.456	0.956
Unclassified Roads	1.420	1.904	0.484
Street Lighting	0.055	0.055	0.000
Highways Improvements (Developer)	0.655	0.655	0.000
	21.050	24.026	2.976
Funded by:			
Council Resources	6.952	6.952	
Capital Receipts	3.876	3.876	
Contributions	3.514	4.697	
Govt Grant	5.462	7.255	
Direct Revenue	1.246	1.246	
	21.050	24.026	

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DECISION-MAKER:	COUNCIL		
SUBJECT:	PURCHASE OF NEW REFUSE COLLECTION VEHICLES		
DATE OF DECISION:	21 NOVEMBER 2018		
REPORT OF:	CABINET MEMBER FOR TRANSPORT AND PUBLIC REALM		
<u>CONTACT DETAILS</u>			
AUTHOR:	Name:	David Tyrie	Tel: 023 8083 2958
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Director	Name:	Mitch Sanders	Tel: 023 8083 3613
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STATEMENT OF CONFIDENTIALITY	
None	
BRIEF SUMMARY	
Approval for £2.9 million capital funding is requested to enable the replacement of 17 Refuse Collection Vehicles (RCV's). These vehicles would replace those approaching their end of life and ensure that the council's heavy goods vehicles (HGV's) all comply with the latest emission standards and contribute to cleaner air in the city.	
RECOMMENDATIONS:	
	(i) To allocate £2.9million capital funding to enable the purchase of 17 Refuse Collection Vehicles.
REASONS FOR REPORT RECOMMENDATIONS	
1.	To minimise downtime of vehicles and maintain high standards of refuse collection in the city. Keep streets free from litter and refuse and to deliver the Council's outcome "Southampton is a modern, attractive city where people are proud to live and work".
2.	Replacement of 17 RCV's will not only maintain efficient and quality waste collections, but will also ensure the vehicles meet Euro 6 emission standards and make a contribution to air quality improvements in Southampton
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED	
3.	<ul style="list-style-type: none"> • Continue operating the 17 Refuse RCV'S. This is not recommended as fabrication repairs create long downtime, hire costs of £900p/w per vehicle will be incurred. • Retro fit vehicles to meet emission standards. This is not recommended as retro fit only offers up to Euro 6 standards, requires several weeks downtime per vehicle which requires hire vehicles to backfill, and also does not tackle the wear and tear of bodies, lifters and compaction equipment. • Lease new RCV's instead of purchasing. This is not recommended as Fleet transport have carried out a full feasibility study which demonstrates that leasing is significantly more expensive way of

	running the fleet. Longer downtime for 3 rd party repairs, end of lease charges and higher running costs.
DETAIL (Including consultation carried out)	
4.	The priority outcomes in the Council Strategy include “Southampton is a modern and attractive city where people are proud to live and work”. Maintaining a modern and low emission fleet to facilitate statutory and commercial waste collections will ensure that the environment is visibly clean and green. A modern fleet will also meet the latest Euro emission standards and contribute to cleaner air in the city.
5.	SCC has a statutory duty to collect waste from households in the city, and also businesses on request.
6.	There were 17 Refuse Collection Vehicles (RCV’s) purchased by SCC in 2013 that are now nearing end of life. Most RCV’s with a long life pack have a functional life of no more than 7 years as bodies, lifting equipment and high tensile steel wears through continuous use and can result in service failure. Repairs become expensive and uneconomical.
7.	There is a long lead in time to purchase this type of vehicle as the chassis and bodies need to be purpose built to order following an OUJU tender process and there are a limited amount of factories in the EU that build the chassis and vehicles. The 17 vehicles we wish to replace do not currently meet Euro 6 emission standards.
8.	Funding approval is requested to replace the 17 RCV’s as outlined above.
RESOURCE IMPLICATIONS	
<u>Capital/Revenue</u>	
9.	The purchase of 17 RCV’s formed part of the MTFs proposals presented to Cabinet in October 2018. The purchase cost is estimated to be £2.9m. There is no external source of funding available for the purchase of these vehicles and therefore the purchases will need to be funded from Council resources. The purchase of new vehicles will not generate new revenue streams. There are currently pressures identified in 2018/19 of £0.2M for maintenance costs, and £0.07M for vehicle hire. Purchase of these vehicles will help address these budgetary pressures, and may generate a small saving on fuel costs through better efficiency. The Council has recently consulted on options for a Clean Air zone. The purchase will help mitigate any potential financial implications to the Council, should the Council decide to implement a chargeable scheme. KH
<u>Property/Other</u>	
10.	There are no known property or other implications
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
11.	<ul style="list-style-type: none"> The Environmental Protection Act 1990 provides a statutory requirement for SCC to collect household waste and also waste from businesses on request.

	<ul style="list-style-type: none"> Procurement will be governed by EU procurement rules and SCC policy
Other Legal Implications:	
12.	None.
RISK MANAGEMENT IMPLICATIONS	
13.	<p>Stakeholder interest in the service is moderate to high and the service would see a significant increases in service requests when the end of life RCV's begin to fail on the frontline and were not replaced. Commercial waste income and contributions would also be at risk.</p> <p>Risk = Moderate to high</p>
POLICY FRAMEWORK IMPLICATIONS	
14.	Council Strategy 2016-2020

KEY DECISION?	Yes
WARDS/COMMUNITIES AFFECTED:	All Wards
<u>SUPPORTING DOCUMENTATION</u>	
Appendices	
1.	None

Documents In Members' Rooms

1.	None
Equality Impact Assessment	
Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.	No
Data Protection Impact Assessment	
Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out.	No
Other Background Documents	
Other Background documents available for inspection at:	
Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
1.	
2.	

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DECISION-MAKER:	CABINET COUNCIL		
SUBJECT:	TOWNHILL PARK INFRASTRUCTURE FUND AND FUTURE PROGRAMME		
DATE OF DECISION:	20 NOVEMBER 2018 21 NOVEMBER 2018		
REPORT OF:	CABINET MEMBER FOR HOMES AND CULTURE		
<u>CONTACT DETAILS</u>			
AUTHOR:	Name:	Tina Dyer-Slade	Tel: 023 80
	E-mail:	Tina.dyer-slade@southampton.gov.uk	
Director	Name:	Denise Edghill	Tel: 023 8083 4095
	E-mail:	Denise.edghill@southampton.gov.uk	

STATEMENT OF CONFIDENTIALITY	
Not applicable	
BRIEF SUMMARY	
<p>This report seeks approval to accept a Home's England (HE) Housing Infrastructure Fund (HIF) grant offer of £3.75M towards the future delivery of the Townhill Park regeneration scheme. HE has offered HIF grant for the implementation of the new open space and traffic calming infrastructure in Townhill Park. The grant must be spent on completing these infrastructure works by end of March 2021.</p>	
RECOMMENDATIONS:	
CABINET IS RECOMMENDED TO:	
i.	Delegate authority to the Director – Finance & Commercialisation following consultation with the Cabinet Member for Homes & Culture, Director of Growth, Service Director Legal & Governance and Lead Capital Assets to finalise and agree the conditions and monitoring framework of the Homes England Housing Infrastructure Bid.
ii.	Subject to approval by Council and subject to (i) above, to enter into a Grant Determination Agreement with Homes England for the Housing Infrastructure Fund grant of £3.75M.
iii.	Delegate authority to the Director of Growth to carry out the necessary procurement in order to deliver obligations contained within the Homes England Housing Infrastructure Fund funding agreement and bid.
iv.	Delegate authority to the Director of Growth, following consultation with the Director of Finance and Commercialisation and the Director of Legal & Governance, to take all necessary actions to implement and facilitate the delivery of the project funded by the Housing Infrastructure bid.

COUNCIL IS RECOMMENDED TO:	
i.	Approve the acceptance of the £3.75M offer of grant from Homes England Housing Infrastructure Fund subject to the satisfactory agreement of conditions with Homes England in recommendation to Cabinet (i)
ii.	Note, subject to match funding being confirmed, approval will be sought as part of the Capital Programme update to Council in February 2019, to add (and spend) £3.75M to the Transport & Public Realm Capital Programme. This would be phased 2018-19 £70,000, 2019-20 £2,210,000 and 2020-21 £1,470,000, to be funded from the Homes England Grant.
REASONS FOR REPORT RECOMMENDATIONS	
1.	To enable the council to enter into a grant agreement with HE to receive the offer of £3.75M HIF towards delivering the infrastructure works, which involve the creation of the new open space and traffic calming on Meggeson Avenue, at Townhill Park.
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED	
2.	The council could decide not to accept the grant offer. However, it is unlikely that other external sources of funding would be found which could deliver the infrastructure improvements described above and required by planning.
DETAIL (Including consultation carried out)	
3.	In September 2017 a bid was submitted to the HE HIF requesting funding towards infrastructure work required at Townhill Park which are a requirement of the 2016 planning consent. These infrastructure works include a new open space in the centre of Townhill Park which the planning approval states must be available once 276 of the residential units are occupied.
4.	HE has advised the council that it has been successful in securing the £3.75M towards the Townhill Park programme and a grant offer with the summary of conditions, outputs and monitoring framework was received by the council on 20 th September 2018. The Grant Determination Agreement itself with the final details of the terms has still to be received from HE.
5.	The terms of the grant require the provision of 605 new homes as part of the Townhill regeneration project and partnership funding from the council towards the scheme (this is further detailed in paragraph 7 below).
6.	This offer of funding is subject to legal exchange of the Grant Determination Agreement by 31st December 2018 (a copy of which is to be received) after which point the HE reserves the right to retract the offer of funding.
RESOURCE IMPLICATIONS	
<u>Capital/Revenue</u>	
7.	This report seeks approval to accept the grant. There will be an update to the capital programme in February 2019 to reflect the council's obligations to secure the HE HIF grant. The grant offer from HE identifies a requirement for £10.30M of match funding from the council. There will be further details in the February 2019 report which will outline how the council will meet these match funding conditions.

8.	The current Homes & Culture capital programme has approved £9.45M, identified to support the ongoing Townhill Park scheme broken down as follows: £7.20M in 2018/19, £0.55M in 2019/20, £1.70M in 2020/21 the majority of which is already committed. This is in addition to the £10.60M already incurred in previous financial years for this project. Further discussions are being held with HE to understand whether this can be counted towards the match funding requirements.
9.	This report seeks approval to accept the additional £3.750M offer of grant from HE HIF subject to the satisfactory agreement of the conditions and monitoring framework of the Homes England Housing Infrastructure Bid.
<u>Property/Other</u>	
10.	Council land and properties will be used to improve the economic, social and health well-being of the residents within the estate regeneration area
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
11.	The council has powers under the Housing Acts and the Local Government Act 1972 section 20 to undertake estate regeneration.
<u>Other Legal Implications:</u>	
12.	Other legal implications relating to the provision of new public open space will be addressed during the implementation phase of the project but will include securing compliance with open space / village green legislation and application processes, update of Equality Impact assessments required under the Equality Act 2010 and design principles undertaken to secure compliance with s.17 Crime & Disorder Act 1998.
RISK MANAGEMENT IMPLICATIONS	
13.	There is a risk that if the grant agreement is not signed by 31 st December 2018 then the HIF money may no longer be available. Every effort will be made to conclude agreement within this time.
14.	There is also a risk that the council is unable to deliver the required works in time to spend the grant by March 2021. Robust project management procedures will be put in place in order to achieve this target.
POLICY FRAMEWORK IMPLICATIONS	
15.	The recommendations in this paper support the delivery of the following outcomes within the Southampton City Council Strategy: <ul style="list-style-type: none"> • Southampton is a city with strong and sustainable economic growth • People in Southampton live safe, healthy, independent lives • Southampton is a modern, attractive city where people are proud to live and work.
16.	These proposals will assist the council to achieve its corporate targets as set out in its Housing Strategy 2016-2025 in the following ways: <ul style="list-style-type: none"> • Providing sustainable homes which in turn help to improve the health and wellbeing of local people: • Developing on a brownfield site (estate regeneration): • Providing well-designed and safe sustainable housing where people want to live now and in the future; and

	<ul style="list-style-type: none"> • Providing affordable housing.
17.	The regeneration plans for Townhill Park conform to the council's policy framework. It is recognised that the decommissioning of stock is a challenging event for residents who have to move. However, the redevelopment of Townhill Park will create new quality, energy efficient housing in an improved environment, which will benefit residents' health and well-being and improve the quality of the city, increasing its attractiveness as a place to live and work.
18.	<p>The recommendations in this paper specifically support and are in line with the following Policy Framework documents:</p> <ul style="list-style-type: none"> • Local Development Framework and Local Area Action Plans (S.1Planning and Compulsory Purchase Act 2004) – the regeneration of Townhill Park will be undertaken in line with Local Plan Policies; and • Health and Well Being Strategy (S.116A Local Government and Public Involvement in Health Act 2007) – the regeneration of Townhill Park will deliver improved health and wellbeing through the creation of new quality, energy efficient housing in an improved environment.

KEY DECISION?	Yes/No
WARDS/COMMUNITIES AFFECTED:	Harefield, Bitterne Park
<u>SUPPORTING DOCUMENTATION</u>	
Appendices	
1.	None
2.	

Documents In Members' Rooms

1.	
2.	

Equality Impact Assessment

Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.	No
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Data Protection Impact Assessment

Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out.	No
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Other Background Documents

Other Background documents available for inspection at:

Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules /
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		Schedule 12A allowing document to be Exempt/Confidential (if applicable)
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DECISION-MAKER:		GOVERNANCE COMMITTEE COUNCIL	
SUBJECT:		REVIEW OF PRUDENTIAL LIMITS AND TREASURY MANAGEMENT MIDYEAR REVIEW 2018/19	
DATE OF DECISION:		12 NOVEMBER 2018 21 NOVEMBER 2018	
REPORT OF:		Director Finance and Commercialisation (S151)	
<u>CONTACT DETAILS</u>			
AUTHOR:	Name:	Tina Connolly	Tel: 023 8083 2428
	E-mail:	tina.connolly@southampton.gov.uk	
Director	Name:	Mel Creighton	Tel: 023 8083 4897
	E-mail:	mel.creighton@southampton.gov.uk	
STATEMENT OF CONFIDENTIALITY			
NOT APPLICABLE			
BRIEF SUMMARY			
The purpose of this report is to inform the Governance Committee and Full Council of the treasury management (TM) activities and performance for 2018/19 against the approved prudential indicators for external debt and treasury management.			
This report specifically highlights that:			
	(i)	Borrowing activities have 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 2018/19 are expected to be £1.48M at an average rate of 3.9%.	
	(iii)	The council's strategy was to minimise borrowing to below its capital financing requirement (CFR). 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 are monitored to ensure we borrow at the optimum point in order to minimise borrowing costs over the medium to longer term and to maintain stability.	
	(iv)	The differential between borrowing costs and investment earnings continued to be acute. This has resulted in the use of internal resources often being the most cost effective means of financing capital expenditure. The TM strategy for 2018/19 was to continue to borrow in the short term markets to take further advantage of the current interest environment and we currently have £32M of short term borrowing but this is expected to rise to £78M by the end of the year.	
	(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 a lower interest environment 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. During October there was volatility in the markets due to Britain exiting the EU and other external factors, this resulted in an unexpected rise in the PWLB rate. The rate has since fallen back to some extent.
	(vi)	Net loan debt decreased during the period from £251M to £246M as detailed Table 2, but is expected to rise to £311M (£60M) to finance the capital programme and other cash flow movements.
	(vii)	The housing borrowing cap was formally removed on 29 October 2018 with the publication of the Limits on Indebtedness (Revocation) Determination 2018.
	(viii)	There has been full compliance with the Prudential Indicators approved by Full Council on 21 February 2018
RECOMMENDATIONS:		
GOVERNANCE COMMITTEE		
It is recommended that Governance committee:		
	(i)	Note the current and forecast position with regards to these indicators and approve any changes.
	(ii)	Notes that the continued proactive approach to TM has led to reductions in borrowing costs and safeguarded investment income during the year.
	(iii)	Notes the cost implications of the capital programme on the council as detailed in table 4. These have been taken into account in the revenue budget.
	(iv)	Endorses the recommendation to Full Council to continue to delegate authority to the S151 Officer to make any future changes which benefit the authority and to report back at the meeting of the Governance committee on 11 February 2019.
COUNCIL		
It is recommended that Council:		
	(i)	Note the current and forecast position with regards to these indicators and approve any changes.
	(ii)	Notes that the continued proactive approach to TM has led to reductions in borrowing costs and safeguarded investment income during the year.
	(iii)	Notes the cost implications of the capital programme on the council as detailed in table 4. These have been taken into account in the revenue budget.

	(iv)	Continues to delegate authority to the S151 Officer to make any future changes which benefit the authority and to report back at the meeting of Full Council on 11 February 2019.
REASONS FOR REPORT RECOMMENDATIONS		
1.		The Treasury Management Code requires public sector authorities to determine an annual TM Strategy and now, as a minimum, formally report on their treasury activities and arrangements at mid-year and after the year-end. These reports enable those tasked with implementing policies and undertaking transactions to demonstrate they have properly fulfilled their responsibilities, and enable those with charged with governance of the TM function to scrutinise and assess its effectiveness and compliance with policies and objectives.
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED		
2.		No alternative options are relevant to this report.
DETAIL (Including consultation carried out)		
CONSULTATION		
3.		Not applicable.
BACKGROUND		
4.		The Local Government Act 2003 introduced a system for borrowing based largely on self-regulation by local authorities. The authority adopted this system 19 February 2003. The basic principle of the new system is that local authorities will be free to borrow as long as their capital spending plans are affordable, prudent and sustainable.
5.		Following consultation in 2017, Chartered Institute of Public Finance and Accountancy (CIPFA) published new versions of the Prudential Code for Capital Finance in Local Authorities (Prudential Code) and the Treasury Management Code of Practice (TM Code). The Ministry of Housing, Communities and Local Government (MHCLG) also published its revised Investment Guidance which came into effect from April 2018.
6.		CIPFA's TM Code requires that authorities report on the performance of the treasury management function at least twice a year (mid-year and final outturn position).
7.		Overall responsibility for treasury management remains with the Council. No TM activity is without risk; the effective identification and management of risk are integral to the council's treasury management objectives. The council has borrowed and invested substantial sums of money and is exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. This report covers treasury activity and the associated monitoring and control of risk.
8.		This report;
	a)	is prepared in accordance with the revised CIPFA Treasury Management Code and the revised Prudential Code;
	b)	presents details of capital financing, borrowing and investment transactions;
	c)	reports on the risk implications of treasury decisions and transactions;
	d)	gives details of the forecast outturn position on treasury management transactions in 2018/19; and

	e) confirms compliance with treasury limits and Prudential Indicators.
9.	The TM Strategy for 2018/19 was approved by Full Council on 21 February 2018.
10.	Appendix 1 summarises the economic outlook and events in the context of which the council operated its treasury function during the first half of 2018/19 and the council's adviser's (Arlingclose) assessment outlook for interest rates for the remainder of the year.

TREASURY MANAGEMENT SUMMARY

11.	At the start of the financial year the council had a net borrowing requirement of £194.62M. This is expected to increase at the end of the year to £239.8M. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR). The CFR, together with balances and useable reserves, are the core drivers of TM activity and the forecast change is summarised in table 1 below. The movement in year between the CFR is detailed in Appendix 2, section 2.
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Table 1 – Movement in Underlying Borrowing Requirement

	31/03/2018 Actual £M	2018/19 Forecast Movement £M	31/03/2019 Forecast £M
General Fund CFR	322.03	24.47	346.50
Housing CFR	157.92	13.25	171.17
Total Opening CFR	479.95	37.72	517.67
Less Other Long Term Liabilities*	(73.39)	2.46	(70.93)
Borrowing CFR	406.56	40.18	446.74
Less Usable Reserves	(146.28)	5.00	(141.28)
Less Working Capital	(65.66)	0.00	(65.66)
Net Underlying Borrowing Requirement	194.62	45.18	239.80

* finance leases, PFI liabilities and Transferred debt that form part of the authority's total debt

12.	The underlying need to borrow is expected to rise during the year due to the delivery of the capital programme and an expected reduction in usable reserves.
13.	The forecast movement in coming years is one of the prudential indicators (PIs). The movement in actual external debt and usable reserves combine to identify the actual council's borrowing requirement and potential investment strategy in the current and future years.
14.	Gross debt at the beginning of the year and expected movements is detailed in Appendix 2, section 2.
15.	The treasury management position at 30 September 2018 and the change during the period is show in table 2 below.

Table 2 – Treasury Management Summary

	31/03/2018 Balance £M	Movement In year £M	30/09/2018 Balance £M	Average Yield/Rate %	31/03/2019 Forecast £M
Long-term borrowing (Table 4)	217.81	(5.73)	212.08	3.44	206.34
Short-term borrowing (Table 4)	33.35	(0.99)	32.36	0.68	78.22
Total Borrowing	251.16	(6.72)	244.44	3.32	284.56
Long-term Investments (Bonds)	(6.80)	0.78	(6.02)	3.20	(6.02)
Long-term Investments (Property Fund)	(27.00)	0.00	(27.00)	4.52	(27.00)
Short-term Investments	(13.14)	11.54	(1.60)	1.21	(1.60)
Cash & cash equivalents	(26.48)	(9.56)	(36.04)	0.68	(10.00)
Total Investments	(73.42)	2.76	(70.66)	3.90	(44.62)
Net Borrowing	177.74	(3.96)	173.78		239.94
Long Term Liabilities					
PFI Schemes	58.84	(1.05)	57.79	9.04	56.74
Deferred Debt Charges (HCC)	14.37	(0.09)	14.28	2.74	14.19
Net Debt	250.95	(5.10)	245.85		310.87

BORROWING STRATEGY AND MOVEMENT DURING PERIOD

16. The council's chief objective when borrowing has been to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the council's long-term plans change being a secondary objective.

17. In undertaking of these objectives, no new long term borrowing had been taken during the year to date and short borrowing has been kept to a minimum. This strategy enables the council to reduce net borrowing costs and reduce overall treasury risk.

18. The benefits of internal borrowing are monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise. Our advisors, Arlingclose, assists the council with this 'cost of carry' and breakeven analysis.

19. **Table 3 - Estimated Movement in Borrowing Requirement**

	2018/19 Forecast £M	2019/20 Forecast £M	2020/21 Forecast £M	2021/22 Forecast £M
General Fund (GF)				
Capital Programme	31.97	9.48	11.63	11.96
Maturing Debt	11.55	62.60	20.10	11.44
Movement in Internal Borrowing	5.00	5.00	5.00	5.00
Less Repayment of Debt Principal	(5.04)	(6.20)	(6.06)	(6.18)
GF Borrowing Requirement	43.48	70.87	30.68	22.22
HRA Borrowing Requirement*	34.38	72.41	19.26	0.00
Total Borrowing Requirement	77.87	143.28	49.94	22.22

*Please see table 13 in Appendix 2 for breakdown and impact on HRA limit on Indebtedness

20. The PWLB remains the Council's preferred source of long term borrowing given the transparency and control that its facilities continue to provide. However due to the continued depressed markets and the 'cost of carry' associated with long term debt, the Council deferred long term borrowing and has continued to use internal resources to finance the capital programme. This will be kept under review during 2018/19 with the need to resource an

increasing capital programme. Table 4 below shows the expected movement in our long and short borrowing during 2018/19.

21. **Table 4 - Estimated Movement in Borrowing during 2018/19**

	Long Term £M	Short Term £M	Total £M
Balance brought forward (<i>Table 2</i>)	217.81	33.35	251.16
Estimated debt to be raised in year		78.22	78.22
Maturing Debt	(11.47)	(33.35)	(44.82)
Estimated debt at 31 March	206.34	78.22	284.56

22. As detailed above the main increase in our borrowing requirement is as a result of new capital spend, Table 5 below shows the impact of this on borrowing costs.

Table 5 - Estimated incremental cost to the council of capital programme financed through borrowing

GF Capital Programme Borrowing and Estimated Costs	2018/19 Forecast £M	2019/20 Forecast £M	2020/21 Forecast £M	2021/22 Forecast £M
Capital Programme (<i>Table 3</i>)	31.97	9.48	11.63	11.96
Estimated debt management costs (7%)	2.24	0.66	0.81	0.84

Loans at Variable Rates

23. Included within the debt portfolio is £35M of PWLB variable rate loans which are predicted to average a rate of 0.76% this helps to mitigate the impact of changes in variable rates on the council's overall treasury portfolio (the council's investments are deemed to be variable rate investments due to their short-term nature). These loans mature in 2020 and this strategic exposure to variable interest rates will need to be reviewed.

Internal Borrowing

24. Given the pressures on the revenue budget and significant reduction in revenue support grant, the strategy for 2018/19 was to minimise the cost of TM by keeping debt interest payments as low as possible without compromising the longer-term stability of the portfolio.

25. As at the 31 March 2018 the council used £155M of internal resources in lieu of borrowing which has been the most cost effective means of funding past capital expenditure to date. This has lowered overall treasury risk by reducing both external debt and temporary investments. However, this position will not be sustainable over the medium term and the Council will need to borrow to cover this amount as balances fall.

26. As short-term interest rates have remained low, and are likely to remain low at least over the forthcoming year it is more cost effective in the shortterm to use internal resources rather than borrowing.

27. The benefits of this are monitored regularly against the potential for incurring additional costs by deferring borrowing into future years. Our advisors assist with this 'cost of carry' and breakeven analysis.

Lender's Option Borrower's Option Loans (LOBOs)

28. The council holds £9M of LOBO loans where the lender has the option to propose an increase in the interest rate at set dates, following which the council has the option to either accept the new rate or to repay the loan at no additional cost. All of these LOBOS had options during the year, none of which were exercised by the lender, but if they were it is likely that they would be replaced by a PWLB loan.

Debt Rescheduling

29. The premium charge for early repayment of PWLB debt remained relatively expensive for the loans in the council's portfolio and therefore unattractive for debt rescheduling activity. No rescheduling activity was undertaken as a consequence.

Other Debt Activity

30. Although not classed as borrowing the council holds debt for prior year's activity relating to private finance initiatives and transferred debt which will be reduced by £1M during the year to £71M.

INVESTMENT ACTIVITY

31. Both the CIPFA and DCLG's Investment Guidance requires the council to invest prudently and have regard to the security and liquidity of investments before seeking the optimum yield.

32. The council has held significant invested funds, representing income received in advance of expenditure plus balances and reserves held. During the first half of 2018/19 the council's investment balances have ranged between £58M and £99M and was £71M as at 30 September 2018. Movement in year to date and the forecast position for year end is summarised in table 2 above.

33. Security of capital has remained the council's main investment objective. This has been maintained by following the counterparty policy set out in the TM Strategy Statement for 2018/19. The council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating of its investment portfolio, which is supplied by our advisors. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment.

	Target	Actual
Portfolio average credit rating	A	AA-

34. Counterparty credit quality was assessed and monitored with reference to credit ratings (the council's minimum long-term counterparty rating is A-) across rating agencies Fitch, S&P and Moody's); for financial institutions analysis of funding structure and susceptibility to bail-in, credit default swap prices, financial statements, information on potential government support and reports in the quality financial press. The council also used secured investments products that provide collateral in the event that the counterparty cannot meet its obligations for repayment.

35. The table below summarises the council's investment portfolio at 30 September 2018 by credit rating and confirms that all investments were made in line with the council's approved credit rating criteria:

Table 6: Credit ratings of Investments held at 30 September 2018

Credit Rating	Long Term		Short Term		Total	
	31/03/2017	30/09/2018	31/03/2017	30/09/2018	31/03/2017	30/09/2018
	£M	£M	£M	£M	£M	£M
AAA	7.86	6.02	0.15	1.60	8.01	7.62
AA+			13.36		13.36	0.00
AA			6.91	0.02	6.91	0.02
AA-			11.20	25.98	11.20	25.98
A+			7.45	5.53	7.45	5.53
A				4.51	0.00	4.51
A-					0.00	0.00
Unrated pooled funds	27.00	27.00	0.29		27.29	27.00
Total Investments	34.86	33.02	39.36	37.64	74.22	70.66

Liquidity Management

36. In keeping with the MHCLG's Guidance on Investments, the council maintained a sufficient level of liquidity through the use of money market funds and call accounts. There is no perceived risk that the council will be unable to raise finance to meet its commitments. The council also has to manage the risk that it will be exposed to replenishing a significant proportion of its borrowing at a time of unfavourable interest rates. The council would only borrow in advance of need where there is a clear business case for doing so and will only do so for the current capital programme or to finance future debt maturities. The maturity analysis of the Council's debt at 30 September 2018 can be seen in Table 6 of Appendix 2.

Externally Managed Funds

37. The council has invested £27M in property funds which offer the potential for enhanced returns over the longer term, but will be more volatile in the shorter term. These funds are managed by professional fund managers this allows diversification into asset classes other than cash without the need to own and manage the underlying investments.
38. During the period 1 April to 30 September the investment returned an average yield of 4.63% against the initial investment and also made a notional "gain" of £0.03M being valued at £27.03M.
39. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the council's investment objectives is regularly reviewed.

Benchmarking

40. The council's advisors undertake quarterly investment benchmarking across its client base. As reported previously our portfolio was more diversified and at higher interest rates than the average as a result of moving into the bond programme earlier than most clients, but there is now more competition for bonds from both government bodies and other local authorities, so opportunities to replace maturing bonds are limited and we will see a fall in suitable instruments. With this in mind, and following discussions with our advisors, it was decided to move more into property funds, which are a longer term investment, and to restrict temporary borrowing reducing short term investments.
41. Since the start of the year our investments in bonds has reduced to £7.62M due to maturities and we have maintained the property funds at £27M, with all

	other cash being placed in either money market funds (MMF), instant access bank accounts and £2M in a 180 notice account. As a result we had 43% (£31M) of our overall investment in Money Market Funds which is in line with other Unitary Authorities for this time of year but this is expected to fall during the year.																		
42.	Due to earlier investment decisions our income return on investments outside of the property fund is 1.05% which is higher than the average of 0.76% whilst still maintaining a higher than unitary average credit rating of AA-. Total income return at 2.38% is also higher than the average for both unitary (1.31%) and LA's (1.17%). Our total investment return at 3.56% is again higher than both the both unitary (1.49%) and LA's (1.25%) across Arlingclose's client base and is mainly due to the investments made in property funds. As previously reported the value of the funds are more volatile and can go down as well as up but are less risky than buying individual properties and do not constitute capital spend and it is the income return at 4.23% that is the driver to invest.																		
Non-Treasury Investments																			
43.	The definition of investments in CIPFA's revised Treasury Management Code now covers all the financial assets of the council as well as other non-financial assets which the council holds primarily for financial return. This is replicated in MHCLG's Investment Guidance, in which the definition of investments is further broadened to also include all such assets held partially for financial return, such as Investment Property.																		
44.	Work is currently being undertaken to assess the impact of on the council and will be reported in the Investment Strategy report presented to Council in February 2019.																		
COMPLIANCE WITH PRUDENTIAL INDICATORS																			
45.	It can be confirmed that for the period 1April 2018 to 30 September 2018 the council has complied with the prudential indicators approved by Full Council on 21 February 2018.																		
46.	In compliance with the requirements of the CIPFA Code of Practice this report provides members with a summary of TM activity over the period 1 April to 30 September 2018. A prudent approach has been taken in relation to investment activity with priority being given to security and liquidity over yield. The table below summarises the key prudential indicators.																		
47.	<p>Table 7: Key Prudential Indicators</p> <table border="1"> <thead> <tr> <th>Indicator</th> <th>Limit</th> <th>Actual at 30/9/2018</th> </tr> </thead> <tbody> <tr> <td>Authorised Limit for external debt</td> <td>£860M</td> <td>£321M</td> </tr> <tr> <td>Operational Limit for external debt</td> <td>£780M</td> <td>£321M</td> </tr> <tr> <td>Limit of fixed interest debt</td> <td>100%</td> <td>82%</td> </tr> <tr> <td>Limit of variable interest debt</td> <td>50%</td> <td>18%</td> </tr> <tr> <td>Limit for Non-specified investments</td> <td>£55M</td> <td>£35M</td> </tr> </tbody> </table>	Indicator	Limit	Actual at 30/9/2018	Authorised Limit for external debt	£860M	£321M	Operational Limit for external debt	£780M	£321M	Limit of fixed interest debt	100%	82%	Limit of variable interest debt	50%	18%	Limit for Non-specified investments	£55M	£35M
Indicator	Limit	Actual at 30/9/2018																	
Authorised Limit for external debt	£860M	£321M																	
Operational Limit for external debt	£780M	£321M																	
Limit of fixed interest debt	100%	82%																	
Limit of variable interest debt	50%	18%																	
Limit for Non-specified investments	£55M	£35M																	
48.	Appendix 2 details performance against the other approved prudential indicators.																		
OTHER ITEMS																			

Removal of HRA Capital Cap

49. Local authorities are currently required to report the level of the HRA CFR compared to the level of debt which was imposed as part of implementation of self-financing, which for the council was set at £199.6M. This cap was formally removed on 29 October 2018 with the publication of the Limits on Indebtedness (Revocation) Determination 2018.
50. The implications of the removal of the cap, together with any additional prudential indicators required, is currently being considered and will be reported reported to Full Council in February 2019.

Training

51. The needs of the council's treasury management staff for training in investment management are assessed as part of the staff appraisal process, and additionally when the responsibilities of individual members of staff change. During 2018/19 to date, staff have attended training courses, seminars and conferences provided by our advisors (Arlingclose) and CIPFA.
52. Our advisors Arlingclose undertook training for members in July 2018.

RESOURCE IMPLICATIONS

Capital/Revenue

53. This report is a requirement of the TM Strategy, which was approved at Full Council on 21 February 2018.
54. The table below outlines the current budget and forecast position.

	2018/19 Budget £M	2018/19 Forecast £M	2019/20 Budget £M	2020/21 Budget £M
Net interest cost	4.87	4.87	10.60	13.27
MRP	6.08	5.95	6.64	6.27

55. The forecast for net interest costs has remained in line with the budget however this could change due to uncertainty over the exit from the European Union and other external factors, which have an impact on interest rates. There has been a slight reduction in expected MRP for 2018/19 costs due to slippage in the capital programme.
56. The revenue and capital implications are considered monthly as part of ongoing monitoring which is reported to Cabinet each quarter.

Property/Other

57. None.

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

58. Local Authority borrowing is regulated by Part 1, of the Local Government Act 2003, which introduced the new Prudential Capital Finance System. From 1 April 2004, investments are dealt with, not in secondary legislation, but through guidance. Similarly, there is guidance on prudent investment practice, issued by the Secretary of State under Section 15(1)(a) of the 2003

	Act. A local authority has the power to invest for "any purpose relevant to its functions under any enactment or for the purposes of the prudent management of its financial affairs". The reference to the "prudent management of its financial affairs" is included to cover investments, which are not directly linked to identifiable statutory functions but are simply made in the course of treasury management. This also allows the temporary investment of funds borrowed for the purpose of expenditure in the reasonably near future; however, the speculative procedure of borrowing purely in order to invest and make a return remains unlawful.	
Other Legal Implications:		
59.	None.	
RISK MANAGEMENT IMPLICATIONS		
60.	Not Applicable	
POLICY FRAMEWORK IMPLICATIONS		
61.	This report has been prepared in accordance with the CIPFA Code of Practice on TM.	
KEY DECISION?		No
WARDS/COMMUNITIES AFFECTED:		NONE
<u>SUPPORTING DOCUMENTATION</u>		
Appendices		
1.	2018/19 Economic Background	
2.	Compliance with Prudential Indicators During 2018/19	
3.	Glossary of Treasury Terms	
Documents In Members' Rooms		
1.	None.	
Equality Impact Assessment		
Do the implications/subject of the report require an Equality and Safety Impact Assessments (ESIA) to be carried out.		Yes/No
Privacy Impact Assessment		
Do the implications/subject of the report require a Privacy Impact Assessment (PIA) to be carried out.		Yes/No
Other Background Documents		
Equality Impact Assessment and Other Background documents available for inspection at:		
Title of Background Paper(s)		Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
1.	None	

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Treasury Management Economic Background**Financial Review and Outlook for 2018/19**

The UK economy still faces a challenging outlook as the government continues to negotiate the country's exit from the European Union.

In August the MPC voted 9-0 to increase the Bank Rate by 0.25% to 0.75% and maintain the asset purchase programme at £435bn and the corporate bond purchase programme at £10bn. The Bank of England cited very limited slack in the UK economy and a tightening in the labour market as reason for increase. The Bank sees CPI at 2% by Q4 2020 and holding steady there throughout 2021.

Our treasury advisor Arlingclose, latest interest forecast is for a further increase in March 2019 to 1% and again in September to 1.25% with it remaining so until 2021. The interest forecast are set against the following background:

- The MPC has maintained expectations of a slow rise in interest rates in the medium term.
- Gilt yields have been volatile, but remain historically low. We expect some upward movement from current levels based on our interest rate projections and the strength of the US economy, but volatility arising from both economic and political events will continue to offer borrowing opportunities.

Credit background:

There were a few credit rating changes during the quarter, none of which have impacted on our investment strategy.

The ringfencing of the big four UK banks (Barclays, Bank of Scotland/Lloyds, HSBC and RBS/Natwest Bank plc) is complete and the transfer of their business lines into retail (ringfenced) and investment banking (non-ringfenced) is progressing and will need to be completed by the end of 2018. Following this our treasury advisor will provide ratings which are specific to wholesale deposits including certificates of deposit, rather than provide general issuer credit ratings. Non-preferred senior unsecured debt and senior bonds are at higher risk of bail-in than deposit products, either through contractual terms, national law, or resolution authorities' flexibility during bail-in, their creditworthiness advice will continue to include unsecured bank deposits and CDs but not senior unsecured bonds issued by commercial banks.

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COMPLIANCE WITH PRUDENTIAL INDICATORS DURING 2018/19

The Local Government Act 2003 requires the Authority to have regard to the Chartered Institute of Public Finance and Accountancy's Prudential Code for Capital Finance in Local Authorities (the Prudential Code) when determining how much money it can afford to borrow. The objectives of the Prudential Code are to ensure, within a clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable, and that treasury management decisions are taken in accordance with good professional practice. To demonstrate that the Authority has fulfilled these objectives, the Prudential Code sets out the following indicators that must be set and monitored each year.

The Council complied with all of its Prudential Indicators. Details of the performance against key indicators are shown below:

1. Capital Expenditure

This indicator is set to ensure that the level of proposed capital expenditure remains within sustainable limits, and, in particular, to consider the impact on council tax and in the case of the HRA, housing rent levels. Planned capital expenditure and financing is summarised below. Further detail is provided in the capital update report which is being submitted to Cabinet on 20 November.

Capital Expenditure and Financing	Budget 2018/19 £M	Forecast 2018/19 £M	Forecast 2019/20 £M	Forecast 2020/21 £M	Forecast 2021/22 £M	Forecast 2022/23 £M
General Fund	85.84	86.76	29.23	30.97	11.96	18.63
HRA	58.76	50.60	46.75	43.95	35.45	0.00
Total Expenditure	144.60	137.36	75.99	74.92	47.41	18.63
Capital receipts	19.08	18.49	4.86	1.22	2.84	0.00
Capital Grants	30.55	30.50	13.38	19.29	0.00	0.04
Contributions	11.33	11.19	1.14	0.00	0.26	0.00
Major Repairs Allowance	19.76	16.26	23.48	22.47	21.10	0.00
Direct Revenue Financing	13.16	13.16	2.98	10.22	11.25	0.00
Total Financing	93.88	89.60	45.84	53.20	35.45	0.04
Council Resources - borrowing	50.72	47.76	30.15	21.72	11.96	18.59
Total Funding	50.72	47.76	30.15	21.72	11.96	18.59
Total Financing & Funding	144.60	137.36	75.99	74.92	47.41	18.63

2. Gross Debt and the Capital Financing Requirement

This is a key indicator of prudence. In order to ensure that over the medium term debt will only be for a capital purpose, the local authority should ensure that debt does not, except in the short term, exceed the total of CFR in the preceding year plus the estimates of any additional CFR for the current and next two financial years. If in any of these years there is a reduction in the CFR, this reduction is ignored in estimating the cumulative increase in the CFR which is used for comparison with gross external debt. The S151 Officer reports that the Authority had no difficulty in meeting this requirement in 2018/19 to date, nor are there any difficulties envisaged for the remainder of 2018/19 and future years. This view takes into account current commitments, existing plans and the proposals in the approved budget.

There is a significant difference between the gross external borrowing requirement and the net external borrowing requirement represented by the Council's level of balances, reserves, provisions and working capital. The Council's current strategy is only to borrow to the level of its net borrowing requirement. The reasons for this are to reduce credit risk, take pressure off the Council's lending list and also to avoid the cost of carry existing in the current interest rate

environment. The tables below detail our expected debt position and the year-on-year change to the CFR, updated to reflect the latest capital programme:

Gross Debt	31/03/2018 Actual £M	31/03/2019 Estimate £M	31/03/2020 Estimate £M	31/03/2021 Estimate £M	31/03/2022 Estimate £M	31/03/2023 Estimate £M
Borrowing (Long Term)	59.89	35.18	111.34	121.97	152.03	152.03
Borrowing (Short Term)	33.35	78.22	10.35	10.35	10.35	10.35
Finance leases and Private Finance Initiatives	58.84	56.74	53.73	50.55	46.98	43.41
Transferred Debt	14.55	14.19	13.83	13.46	13.10	13.10
Total General Fund Debt	166.64	184.33	189.25	196.34	222.46	218.89
HRA	157.92	171.16	191.84	201.93	200.62	200.62
Total Debt	324.60	355.49	381.10	398.30	423.10	419.50

Capital Financing Requirement	31/03/2018 £M	31/03/2019 £M	31/03/2020 £M	31/03/2021 £M	31/03/2022 £M	31/03/2023 £M
Balance Brought forward	322.62	322.03	346.50	346.39	348.43	350.27
New Borrowing	4.41	31.97	9.48	11.63	11.96	18.59
MRP	(7.13)	(5.59)	(6.21)	(6.06)	(6.18)	(6.38)
Appropriations (to) from HRA	0.56	0.00	0.00	0.00	0.00	0.00
Movement in Other Liabilities	(3.78)	(2.46)	(3.38)	(3.53)	(3.94)	(3.93)
MRP Holiday	5.35	0.55	0.00	0.00	0.00	0.00
Total General Fund Debt	322.03	346.50	346.39	348.43	350.27	358.55
HRA	157.92	171.17	191.84	201.93	200.62	200.62
Total CFR	479.95	517.67	538.23	550.36	550.89	559.17

3. Total Principal Sums Invested for Periods Longer than a year

The purpose of this indicator is to control the council's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested was set at £55M for 2018/19. Long term investments as at 30 September were £33M having reduced from £35M at the beginning of the year.

4. Maturity Structure of Fixed Rate Borrowing

This indicator is set to control the council's exposure to refinancing risk and is designed to protect against excessive exposures to interest rate changes in any one period. The upper and lower limits of borrowing were:

Debt	Lower Limit %	Upper Limit %	Actual Debt as at 30/9/2018 £M	Average Rate as at 30/9/2018 %	% of Debt	Compliance with set Limits?
Under 12 months	0	45	38.11	1.53%	16	Yes
12 months and within 24 months	0	45	40.49	2.16%	17	Yes
24 months and within 5 years	0	50	17.99	3.16%	7	Yes
10years and within 20 years	0	55	11.00	4.84%	5	Yes
20 years and within 30 years	0	65	13.00	4.67%	5	Yes
30 years and within 40 years	0	75	92.60	3.77%	38	Yes
40 years and within 50 years	0	75	31.25	3.56%	13	Yes
			244.44	3.32%	100	

Please note: the TM Code Guidance Notes (Page 15) states: "The maturity of borrowing should be determined by reference to the earliest date on which the lender can require payment. If the lender has the right to increase the interest rate payable without limit, such as in a LOBO loan, this should be treated as a right to require payment". For this indicator, the next option dates on the Council LOBO loans will therefore determine the maturity date of the loans.

5. General Fund Ratio of Financing Costs to Net Revenue Stream

This indicator is no longer a requirement of the Prudential code but we have retained it as a local indicator at the moment. It tries to show the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet borrowing costs. The ratio is based on the forecast of net revenue expenditure in the medium term financial model. The upper limit for this ratio is currently set at 10%. The table below shows the likely position based on the proposed capital programme (including cost of long term liabilities).

Ratio of Financing Costs to Net Revenue Stream	2017/18 Actual %	2018/19 Forecast %	2019/20 Forecast %	2020/21 Forecast %	2021/22 Forecast %
General Fund*	9.61	7.89	9.23	8.86	9.47

*The figure quoted as the actual for 2017/18 General Fund includes MRP due for the year but not actually charged to revenue due to previous overprovision.

6. HRA Limit on Indebtedness

Local authorities are currently required to report the level of the HRA CFR compared to the level of debt which is imposed (or subsequently amended) by the MHCLG at the time of implementation of self-financing, which was set at £199.6M. This cap was formally removed on 29 October 2018 with the publication of the Limits on Indebtedness (Revocation) Determination 2018, the implications of which is currently being assessed.

Forecast figures have been update to reflect the capital programme being submitted to Council in September 2018. The levels of voluntary minimum revenue provision for 2019/20 and 2020/21 are under review and will form part of the MTFs report that is put to Full Council in February 2019.

HRA Limit on Indebtedness	2017/18 Actual £M	2018/19 Forecast £M	2019/20 Forecast £M	2020/21 Forecast £M	2021/22 Forecast £M	2022/23 Forecast £M
Brought Forward	163.18	157.92	171.17	191.84	201.93	200.62
Voluntary Repayment of Debt	(5.51)	(5.50)	0.00	0.00	(1.31)	0.00
New borrowing	0.81	18.75	20.67	10.09	0.00	0.00
Depn (MRP)	0.00	0.00	0.00	0.00	0.00	0.00
Appropriations (to) from HRA	(0.56)	0.00	0.00	0.00	0.00	0.00
Carried forward	157.92	171.17	191.84	201.93	200.62	200.62

7. Summary

As indicated in this report none of the Prudential Indicators have been breached in 2018/19 to date.

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GLOSSARY OF TREASURY TERMS

Authorised Limit (Also known as the Affordable Limit):

A statutory limit that sets the maximum level of external borrowing on a gross basis (i.e. not net of investments) for the Council. It is measured on a daily basis against all external borrowing items on the Balance Sheet (i.e. long and short term borrowing, overdrawn bank balances and long term liabilities).

Balances and Reserves:

Accumulated sums that are maintained either earmarked for specific future costs or commitments or generally held to meet unforeseen or emergency expenditure.

Bail - in (Risk):

Following the financial crisis of 2008 when governments in various jurisdictions injected billions of dollars into banks as part of bail-out packages, it was recognised that bondholders, who largely remained untouched through this period, should share the burden in future by making them forfeit part of their investment to "bail in" a bank before taxpayers are called upon.

A bail-in takes place before a bankruptcy and under current proposals, regulators would have the power to impose losses on bondholders while leaving untouched other creditors of similar stature, such as derivatives counterparties. A corollary to this is that bondholders will require more interest if they are to risk losing money to a bail-in.

Bank Rate:

The official interest rate set by the Bank of England's Monetary Policy Committee and what is generally termed at the "base rate". This rate is also referred to as the 'repo rate'.

Bond:

A certificate of debt issued by a company, government, or other institution. The bond holder receives interest at a rate stated at the time of issue of the bond. The repayment date is also set at the onset but can be traded during its life, but this will affect the price of a bond which may vary during its life.

Capital Expenditure:

Expenditure on the acquisition, creation or enhancement of capital assets.

Capital Financing Requirement (CFR):

The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's underlying borrowing need.

CD's:

Certificates of Deposits with banks and building societies

Capital Receipts:

Money obtained on the sale of a capital asset.

Corporate Bonds:

Corporate bonds are bonds issued by companies. The term is often used to cover all bonds other than those issued by governments in their own currencies and includes issues by companies, supranational organisations and government agencies.

Cost of Carry:

The "cost of carry" is the difference between what is paid to borrow compared to the interest which could be earned. For example, if one takes out borrowing at 5% and invests the money at 1.5%, there is a cost of carry of 3.5%.

Counterparty List:

List of approved financial institutions with which the Council can place investments with.

Covered Bond:

Covered bonds are debt securities backed by cash flows from mortgages or public sector loans. They are similar in many ways to asset-backed securities created in securitisation, but covered bond assets remain on the issuer's consolidated balance sheet (usually with an appropriate capital charge). The covered bonds continue as obligations of the issuer (often a bank); in essence, the investor has recourse against the issuer and the collateral, sometimes known as "dual recourse."

CPI :

Consumer Price Index – the UK's main measure of inflation.

Credit Rating:

Formal opinion by a registered rating agency of a counterparty's future ability to meet its financial liabilities; these are opinions only and not guarantees.

General Fund:

This includes most of the day-to-day spending and income.

Gilts:

Gilts are bonds issued by the UK Government. They take their name from 'gilt-edged': being issued by the UK government, they are deemed to be very secure as the investor expects to receive the full face value of the bond to be repaid on maturity.

LOBO:

Stands for Lender Option Borrower Option. The underlying loan facility is typically very long-term - for example 40 to 60 years - and the interest rate is fixed. However, in the LOBO facility the lender has the option to call on the facilities at pre-determined future dates. On these call dates, the lender can propose or impose a new fixed rate for the remaining term of the facility and the borrower has the 'option' to either accept the new imposed fixed rate or repay the loan facility. The upshot of this is that on the option exercise date, the lender could propose an extreme fixed rate, say 20 per cent, which would effectively force the repayment of the underlying facility. The borrower's so called 'option' is only the inalienable right to accept or refuse a new deal such as a fixed rate of 20 per cent.

Long Term Borrowing:

Amount owed for a period exceeding 12 months from the date of the balance sheet. Could be in the form of a loan, Public Finance Initiative or other obligations not due for one year.

Details are disclosed the balance sheet together with the interest rate and date of maturity. Majority of long-term borrowing held by the council is with the Public Works Loan Board.

Maturity:

The date when an investment or borrowing is repaid.

Maturity Structure / Profile:

A table or graph showing the amount (or percentage) of debt or investments maturing over a time period. The amount or percent maturing could be shown on a year-by-year or quarter-by quarter or month-by-month basis.

Minimum Revenue Provision (MRP):

An annual provision that the Council is statutorily required to set aside and charge to the Revenue Account for the repayment of debt associated with expenditure incurred on capital assets.

Ministry of Housing, Communities and Local Government's (MHCLG)

The MHCLG is the UK Government department for Housing, Communities and Local Government in England. It was established in May 2006 and is the successor to the Office of the Deputy Prime Minister, established in 2001

Money Market Funds (MMF):

An open-end mutual fund which invests only in money markets. These funds invest in short term debt obligations such as short-dated government debt, certificates of deposit and commercial paper. The main goal is the preservation of principal, accompanied by modest dividends. The fund's net asset value remains constant (eg £1 per unit) but the interest rate does fluctuate. These are liquid investments, and therefore, are often used by financial institutions to store money that is not currently invested. Risk is extremely low due to the high rating of the MMFs; many have achieved AAA credit status from the rating agencies:

- **Constant net asset value (CNAV)** refers to funds which use amortised cost accounting to value all of their assets. They aim to maintain a net asset value (NAV), or value of a share of the fund, at €1/£1/\$1 and calculate their price to two decimal places known as "penny rounding". Most CNAV funds distribute income to investors on a regular basis (distributing share classes), though some may choose to accumulate the income, or add it on to the NAV (accumulating share classes). The NAV of accumulating CNAV funds will vary by the income received.
- **Variable net asset value (VNAV)** refers to funds which use mark-to-market accounting to value some of their assets. The NAV of these funds will vary by a slight amount, due to the changing value of the assets and, in the case of an accumulating fund, by the amount of income received.

This means that a fund with an unchanging NAV is, by definition, CNAV, but a fund with a NAV that varies may be accumulating CNAV or distributing or accumulating VNAV.

Monetary Policy Committee (MPC):

In 1997, the UK Treasury granted the Bank of England operational independence over the conduct of monetary policy

The monetary policy committee (MPC) is chaired by the Governor of the Bank of England and is comprised of four other members of the Bank, and four external members. Their main objective is to ensure low and stable inflation (consistent with a target rate set by the Treasury) and to maintain confidence in pound sterling.

The traditional tool to do this is the Bank rate of interest – the rate that they charge commercial banks to borrow money. When this is at its lower bound there are a number of other tools that the MPC can use, for example, quantitative easing.

Operational Boundary:

This linked directly to the Council's estimates of the CFR and estimates of other day to day cash flow requirements. This indicator is based on the same estimates as the Authorised Limit reflecting the most likely prudent but not worst case scenario but without the additional headroom included within the Authorised Limit.

Premiums and Discounts:

In the context of local authority borrowing,

- (a) the premium is the penalty arising when a loan is redeemed prior to its maturity date and
- (b) the discount is the gain arising when a loan is redeemed prior to its maturity date.

If on a £1 million loan, it is calculated that a £150,000 premium is payable on premature redemption, then the amount paid by the borrower to redeem the loan is £1,150,000 plus accrued interest. If on a £1 million loan, it is calculated* that a £50,000 discount receivable on premature redemption, then the amount paid by the borrower to redeem the loan is £950,000 plus accrued interest. PWLB premium/discount rates are calculated according to the length of time to maturity, current market rates (plus a margin), and the existing loan rate which then produces a premium/discount dependent on whether the discount rate is lower/higher than the coupon rate.

**The calculation of the total amount payable to redeem a loan borrowed from the Public Works Loans Board (PWLB) is the present value of the remaining payments of principal and interest due in respect of the loan being repaid prematurely, calculated on normal actuarial principles. More details are contained in the PWLB's lending arrangements circular.*

Property:

Investment property is property (land or a building or part of a building or both) held (by the owner or by the lessee under a finance lease) to earn rentals or for capital appreciation or both.

Prudential Code:

Developed by CIPFA and introduced on 01/4/2004 as a professional code of practice to support local authority capital investment planning within a clear, affordable, prudent and sustainable framework and in accordance with good professional practice.

Prudential Indicators:

Indicators determined by the local authority to define its capital expenditure and asset management framework. They are designed to support and record local decision making in a manner that is publicly accountable; they are not intended to be comparative performance indicators

Public Works Loans Board (PWLB):

This is a statutory body operating within the United Kingdom Debt Management Office, an Executive Agency of HM Treasury. The PWLB's function is to lend money from the National Loans Fund to local authorities and other prescribed bodies, and to collect the repayments.

Revenue Expenditure:

Expenditure to meet the continuing cost of delivery of services including salaries and wages, the purchase of materials and capital financing charges.

(Short) Term Deposits:

Deposits of cash with terms attached relating to maturity and rate of return (Interest).

Short Term / Temporary Borrowing:

Borrowing to cover peaks and troughs of cash flow, not to fund capital spending.

Treasury Management Code:

CIPFA's Code of Practice for Treasury Management in the Public Services, initially brought in 2003, subsequently updated in 2009, 2011 and 2018.

Yield:

The measure of the return on an investment instrument.

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