

CABINET

(from 4 March 2013)

Safer Portsmouth Partnership Plan 2013-18 (Cabinet Minute 28 refers)

CAB

The purpose of the report by the Head of Community Safety, set out on pages 1 to 31 of the appendices is to outline the priorities for the updated Community Safety Plan 2013-18.

RECOMMENDED to Council that it endorses the strategic priorities contained in the Safer Portsmouth Partnership plan 2013-18.

Portchester Castle to Emsworth Coastal Flood and Erosion Risk Management Strategy - Adoption of Final Strategy (Cabinet Minute 29 refers)

CAB

The report by the Head of Transport & Environment, set out on pages 33 to 47 of the appendices is to inform Members of the final strategic policies proposed to manage the coastal flood and erosion risk between Portchester Castle and Emsworth and to seek approval of the proposed policies.

RECOMMENDED that Council (1) adopts the preferred policy option as policy for the Portchester to Paulsgrove Frontage : Hold The Existing Defence Line - Improve;

(2) adopts the preferred policy option as policy for the Horsea Island Frontage: Hold the Existing Defence Line - Maintain;

(3) adopts the preferred policy option as policy for the M27 & Farlington Marsh Frontage: M27 - Hold the Existing Defence Line - Sustain Farlington Marshes - Hold the Existing Defence Line - Maintain for 20 years with further detailed studies required to determine the preferred long-term preference to either Sustain or implement a Managed Realignment scheme and;

(4) supports the options for the Strategy frontages on which the Environment Agency, Fareham Borough Council, Havant Borough Council and Chichester District Council are the responsible operating authorities. (A map of the strategy frontage can be found in Appendix 1 of the report.)

Local Transport Plan 3 (LTP3) Implementation Plan 2013/14 (Cabinet Minute 31 refers)

CAB

The report by the Head of Transport & Environment, set out on pages 49 to 56 of the appendices is to seek approval to the draft Local Transport Plan 3 (LTP 3) Implementation Plan 2013/14.

RECOMMENDED that Council

- (1) approves the implementation plan;**
- (2) delegates authority to the Head of Transport & Environment in consultation with the Cabinet Member for Traffic & Transportation, the Strategic Director for Regeneration and the Section 151 Officer to seek any minor amendments to the implementation plan that may be required to take account of future funding changes and policy announcements.**

Treasury Management Policy for 2013/14 (Cabinet Minute 32 refers)

The purpose of the report by the Head of Financial Services & Section 151 Officer, set out on pages 57 to 115 of the appendices is to obtain the Council's approval for 2013/14 to the following (attached):

- Treasury Management Policy Statement
- Annual Minimum Revenue Provision for Debt Repayment Statement
- Annual Investment Strategy:

RECOMMENDED to Council

- (1)a that the Head of Financial Services and Section 151 Officer and officers nominated by him is given authority to lend surplus funds as necessary in accordance with the Treasury Management Policy;**
- b the use of all capital resources including supported capital expenditure, usable capital receipts, and grants and contributions be maximised**
- c the Head of Financial Services and Section 151 Officer is given delegated authority to either replace maturing debt or repay it depending on the outlook for long term interest rates that exists at the time**
- d the upper limits for fixed interest exposures are set as follows:**

2012/13	£342m
2013/14	£320m
2014/15	£336m
2015/16	£348m

e the upper limits for variable interest exposure are set as follows:

2012/13 (£342m) – Investments up to £342m

2013/14 (£320m) – Investments up to £320m

2014/15 (£336m) – Investments up to £336m

2015/16 (£348m) – Investments up to £348m

f the following limits be placed on principal sums invested for periods longer than 364 days:

31/3/2013 £150m

31/3/2014 £218m

31/3/2015 £208m

31/3/2016 £198m

g the City Council set upper and lower limits for the maturity structure of its borrowings as follows:

Amount of projected borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate.

	Upper Limit	Lower Limit
Under 12 Months	25%	0%
12 months & within 24 months	25%	0%
24 months & within 5 years	25%	0%
5 years & within 10 years	25%	0%
10 years & within 20 years	30%	0%
20 years & within 30 years	30%	0%
30 years & within 40 years	30%	0%
40 years & within 50 years	70%	0%

h authority to reschedule debt during the year is delegated to the Head of Financial Services and Section 151 Officer subject to conditions being beneficial to the City Council;

i no restriction be placed on the amount that can be borrowed in sterling from an individual lender provided it is from a reputable source and within the authorised limit for external debt approved by the City Council;

- j** the principals upon which the apportionment of borrowing costs to the Housing Revenue Account (HRA) should be based are as follows:
- The apportionment is broadly equitable between the HRA and the General Fund, and is detrimental to neither;
 - The loans portfolio is managed in the best interests of the whole authority;
 - The costs and benefits of over and under borrowing above or below the capital financing requirement (CFR) are equitably shared between the General Fund and the HRA;
- k** the regulatory method of calculating Minimum Revenue Provision (MRP) be applied to pre 1 April 2008 debt and new government supported debt other than finance leases and service concessions (including Private Finance Initiative schemes);
- l** the asset life (equal instalment) method of calculating MRP is applied to post 1 April 2008 self financed borrowing other than finance leases, service concessions (including Private Finance Initiative schemes) and borrowing to fund finance leases;
- m** MRP on finance leases and service concessions including Private Finance Initiative (PFI) arrangements equals the charge that goes to write down the balance sheet liability;
- n** the principal element of the rent receivable from finance leases be set aside to repay debt if the asset was financed through self financed borrowing with effect from 2012/13 in order that the repayment of the debt is financed from the capital receipt;
- o** £224,672 of capital receipts be set aside in 2012/13 for the repayment of debt relating to the purchase of refuse collection vehicles in 2011/12;
- p** the Housing Revenue Account (HRA) provide for the Self Financing Payment over 30 years;
- q** investments should only be placed with institutions based in either the United Kingdom or states with a AA+ credit rating;
- r** the bodies meeting the criteria of categories 1 to 7 in paragraph 16.10 be approved as repositories of specified investments of the City Council's surplus funds;
- s** credit ratings be reviewed monthly and that any institution whose credit rating falls below the minimum level stated in paragraph 16.10 of the Treasury Management Policy be removed from the list of specified investments;

t institutions that are placed on negative watch or negative outlook by the credit rating agencies be reassigned to a lower category;

u non-specified investments are limited to the following:

	£
Financial institutions that are domiciled in the UK & have very limited exposure to the Euro zone periphery & investment banking	72m
Investments in MMD (Shipping Services) Ltd including funds lodged to guarantee the company's banking limits. MMD is a wholly owned subsidiary of the City Council.	2m
Long term investments	108m
Investments denominated in foreign currencies to hedge against contracts priced or indexed against foreign currencies	5m
Total	187m

v the total amount that can be invested with any organisation at any time should be limited as follows (see paragraph 16.10):

	Maximum Investment in Single Organisation
Category 1	Unlimited for up to 1,825 days
Category 2	£20m for up to 1,825 days
Category 3	£20m for up to 732 days
Category 4	£15m for up to 732 days
Category 5	£13m for up to 366 days
Category 6	£10m for up to 366 days
Category 7	£6m for up to 366 days
Category 8	£10m for up to 366 days
Category 9	£6m for up to 366 days
Category 10	£6m for up to 95 days
MMD (Shipping Services) Ltd including sums lodged to guarantee the company's banking limits	£2m for up to 366 days

w the Head of Financial Services and Section 151 Officer be given delegated authority to revise the total amount that can be directly invested with any organisation at any time

x that the following investment limits be applied to sectors:

Money market funds	£80m
Building societies	£107m

y that the following investment limits be applied to regions outside the United Kingdom:

Asia & Australia	£40m
Americas	£40m
Continental Europe	£25m

(2) the Head of Financial Services and Section 151 Officer submits the following:

- (i) an annual report on the Treasury Management outturn to the Cabinet by 30 September of the succeeding financial year;
- (ii) A Mid Year Review Report to the Cabinet;
- (iii) the Annual Strategy Report to the Cabinet in March 2014;
- (iv) quarterly Treasury Management monitoring reports to the Cabinet and the Governance and Audit and Standards Committee.

Councillor Gerald Vernon-Jackson
Leader of the Council