



NOTICE OF MEETING

CABINET

THURSDAY, 3 DECEMBER 2015 AT 1.00 PM

THE EXECUTIVE MEETING ROOM - THIRD FLOOR, THE GUILDHALL

Telephone enquiries to Joanne Wildsmith, Democratic Services Tel 9283 4057
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Membership

Councillor Donna Jones (Chair)

Councillor Luke Stubbs
Councillor Ken Ellcome
Councillor Lee Mason
Councillor Robert New

Councillor Linda Symes
Councillor Steve Wemyss
Councillor Neill Young

(NB This Agenda should be retained for future reference with the minutes of this meeting.)

Please note that the agenda, minutes and non-exempt reports are available to view online on the Portsmouth City Council website: www.portsmouth.gov.uk

Deputations by members of the public may be made on any item where a decision is going to be taken. The request should be made in writing to the contact officer (above) by 12 noon of the working day before the meeting, and must include the purpose of the deputation (for example, for or against the recommendations). Email requests are accepted.

AGENDA

- 1 **Apologies for Absence**
- 2 **Declarations of Interests**
- 3 **Record of Previous Decision Meeting - 5 November 2015** (Pages 1 - 6)

A copy of the record of the previous decisions taken at Cabinet on 5 November 2015 are attached.

RECOMMENDED that the record of decisions taken at the Cabinet meeting of 5 November 2015 be agreed as a correct record and signed by the Leader.

- 4 **Still Human, Still Here (information item)** (Pages 7 - 16)

The report by the Director of Adult Services is to provide the Cabinet with information about the 'Still Human, Still Here' campaign.

RECOMMENDED that Cabinet notes the report.

5 Process for Community Infrastructure Levy (CIL) Neighbourhood Proportion Spend (Pages 17 - 20)

The report by the Director of Culture & City Development suggests a revised process for agreeing spend of the Community Infrastructure Levy (CIL) neighbourhood proportion.

RECOMMENDED that the Cabinet agrees the revised process for agreeing the spending of the neighbourhood proportion of the levy, as set out in section 4 of this report. That is:

- a) **To delegate the function of decisions as to the expenditure of CIL to the Assistant Director of Culture & City Development in consultation with the S.151 Officer; and**
- b) **To adopt the procedure referred to in section 4 of the report.**

6 Property Investment Strategy (Pages 21 - 24)

The report by the Director of Property seeks additional prudential borrowing in the financial year 2015/16 to further support the Councils commercial property investment activity in line with the aims and objectives in the Investment Property Strategy 2015/16 - 2019/20.

Expansion of the financial capacity of this fund will enable further property acquisition in 2015/16, with a view to generating long term rental income streams to support the delivery of Council services in the future and reduce dependence on Government grant.

RECOMMENDED that the Cabinet recommends that to City Council that:

- i) **The Director of Finance & S151 Officer be authorised to amend the Corporate Capital Programme, Property Investment Fund by adding an additional £20m financed from Prudential borrowing in 2015/16, to acquire additional investment property.**
- ii) **That any unutilised borrowing ability within the Property Investment Fund in 2015/16 be automatically carried forward into 2016/17.**

7 Budget & Performance Monitoring Report Quarter 2 to end September 2015 (Pages 25 - 56)

The purpose of the report by the Director of Finance and Information Service (S151 Officer) is to update members on the current Revenue Budget position of the Council as at the end of the second quarter for 2015/16 in accordance with the proposals set out in the "Portsmouth City Council - Budget & Council

Tax 2015/16 & Medium Term Budget Forecast 2016/17 to 2018/19” report approved by the City Council on the 10th February 2015.

RECOMMENDED to Council that:

(i) The forecast outturn position for 2015/16 be noted:

(a) An overspend of £2,695,900 before further forecast transfers from/(to) Portfolio Specific Reserves

(b) An overspend of £3,123,300 after further forecast transfers from/(to) Portfolio Specific Reserves.

(ii) Members note that any actual overspend at year end will in the first instance

be deducted from any Portfolio Specific Reserve balance and once depleted then be deducted from the 2016/17 Cash Limit.

(iii) Directors, in consultation with the appropriate Cabinet Member, consider options that seek to minimise any forecast overspend presently being reported and prepare strategies outlining how any consequent reduction to the 2016/17 Portfolio cash limit will be managed to avoid further overspending during 2016/17.

8 Proposals to meet the underlying budget deficit of the Health & Social Care portfolio (Pages 57 - 64)

The purpose of the report by the Director of Finance and Section 151 Officer and Director of Adults Services is to advise Cabinet of the current overall budget position within the Health and Social Care portfolio and the actions in place to mitigate the underlying deficit in 2015/16 and to remedy the full deficit in 2016/17.

RECOMMENDED

That the following be approved:

(i) That the proposed savings as set out in Appendix A for the Health and Social Care Portfolio amounting, in total, to £2.4m in a full year be approved to enable appropriate consultation and notice periods to be given to affected parties.

(ii) That Managers commence any necessary consultation process or notice process necessary to implement the approved Portfolio savings.

2.2 That the following be noted:

(i) The savings proposals set out in Appendix A are indicative and the Portfolio Holder can therefore, in response to any consultation, alter, amend or substitute any of the indicative savings proposal(s) set out in Appendix A with alternative proposal(s) amounting to the same value within their Portfolio.

(ii) The likely impact of savings as set out in Appendix A.

9 Proposals to meet the underling budget deficit of the Children & Education portfolio (Pages 65 - 72)

The purpose of the report by the Director of Finance and Section 151 Officer is to advise Cabinet of the current overall budget position within the Children & Education portfolio and the actions in place to mitigate the underlying deficit in 2015/16 and to remedy the full deficit in 2016/17.

RECOMMENDED

(1) That the following be approved:

(i) That the proposed savings as set out in Appendix A for the Children and Education Portfolio amounting, in total, to £2.7m in a full year be approved to enable appropriate consultation and notice periods to be given to affected parties.

(ii) That Managers commence any necessary consultation process or notice process necessary to implement the approved Portfolio savings.

(2) That the following be noted:

(i) The savings proposals set out in Appendix A are indicative and the Portfolio Holder can therefore, in response to any consultation, alter, amend or substitute any of the indicative savings proposal(s) set out in Appendix A with alternative proposal(s) amounting to the same value within their Portfolio.

(ii) The likely impact of savings as set out in Appendix A.

10 Portsmouth City Council Revenue Budget - Savings Proposals (Pages 73 - 120)

The report by the Director of Finance and Section 151 Officer will also be considered by the City Council on 8 December 2015.

RECOMMENDATIONS

(1) That the following be approved:

(a) That the Council's Budget for 2016/17 be prepared on the basis of a 2% Council Tax increase

(b) That in the event that the Council has the ability to increase the level of Council Tax beyond 2% in order to fund Adult Social Care pressures, and if the Council elects to do so, that any additional funding that arises is passported direct to Adult Social Care to provide for those otherwise unfunded cost pressures.

(c) The savings proposals for each Portfolio amounting, in total, to £11m for 2016/17 and continuing into future years as set out in Appendix A to enable appropriate consultation and notice periods to be given to affected parties

(d) That £500,000 be released from the MTRS Reserve to increase the Business Intervention Fund in order to increase the scale and pace of the programme of Service interventions described in paragraphs 10.17 and the funding to be used flexibly across years

(e) That the allocation of the Business Intervention Fund to Service interventions be delegated to the S151 Officer in consultation with the Leader of the Council.

(2) That the following be noted:

(a) The Budget Savings Requirement for 2016/17 of £11m approved by the City Council was based on a Council Tax increase of 2.0%; each 1% change (increase or decrease) in the Council Tax results in a change to the savings requirement of £625,000¹

(b) The key themes arising from the budget consultation

¹ Tax increases will be subject to Council Tax referendum thresholds which are at this stage unknown

- (c) The indicative savings proposals set out in Appendix B which are provided for the purpose of demonstrating to the Council that the Portfolio savings as recommended in paragraph 3.1 (c) above are robust and deliverable
- (d) The likely impact of savings as set out in Appendix B based on the scale of the Portfolio savings as recommended in paragraph 3.1(c)
- (e) That the responsibility of the City Council is to approve the overall Budget and the associated cash limits of its Portfolios and Committees; it is not the responsibility of the City Council to approve any individual savings within those Portfolios / Committees
- (f) That it is the responsibility of the individual Portfolio Holders (not the City Council) to approve the individual savings proposals and the Portfolio Holder can therefore, in response to any consultation, alter, amend or substitute any of the indicative savings proposal(s) set out in Appendix B with alternative proposal(s) amounting to the same value within their Portfolio
- (g) Managers will commence any necessary consultation process or notice process necessary to implement the approved Portfolio / Committee savings
- (h) That there is no general provision for Budget Pressures and that it is the responsibility of the Portfolio Holder to manage any Budget Pressures which arise from the overall resources available to the Portfolio (which includes their Portfolio Reserve)
- (i) In accordance with the approved financial framework, it is the responsibility of the Portfolio Holder, in consultation with the Director of Finance & Information Services (S151 Officer), to release funds from the Portfolio Reserve in accordance with the provisions set out in paragraph 10.14
- (j) The MTRS Reserve held to fund the upfront costs associated with Spend to Save Schemes, Invest to Save Schemes and redundancies currently holds a very modest uncommitted balance of £3.0m and will only be replenished from an approval to the transfer of any non-Portfolio underspends at year end into this reserve.

11 Exclusion of Press and Public

“That, under the provisions of Section 100A of the Local Government Act, 1972 as amended by the Local Government (Access to Information) Act, 1985, the press and public be excluded for the consideration of the following item on the grounds that the report(s) contain information defined as exempt in Part 1 of Schedule 12A to the Local Government Act, 1972”.

The public interest in maintaining the exemption must outweigh the public interest in disclosing the information.

Under the Local Authorities (Executive Arrangements) (Meetings and Access to Information) England Regulations 2012, regulation 5, the reasons for exemption of the listed item is shown below.

Members of the public may make representation as to why the item should be held in open session. A statement of the Council’s response

to representations received will be given at the meeting so that this can be taken into account when members decide whether or not to deal with the item under exempt business.

(NB The exempt/confidential committee papers on the agenda will contain information which is commercially, legally or personally sensitive and should not be divulged to third parties. Members are reminded of standing order restrictions on the disclosure of exempt information and are invited to return their exempt documentation to the Local Democracy Officer at the conclusion of the meeting for shredding.)

<u>Item</u>	<u>Paragraph No</u>
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12

Sports and Leisure Centres Strategic Contract Review
(All the appendices)

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(* paragraph 3 - Information relating to financial or business affairs)

12 Sports and Leisure Centres Strategic Contract Review (Pages 121 - 126)

The report by the Director of Culture & City Development seeks to:

- (i) advise Members that officers from Finance, Legal, Procurement, Contract Management, Recreation, Property Services and Public Health undertook an extensive and systematic review of its major strategic contracts in response to austerity funding pressures but also as general good practice. As part of this review and as a result of the contractual benchmark process for the Mountbatten Centre (MBC) contract instigated by the current operator, the council has conducted a detailed delivery option appraisal in respect of the management contracts for the MBC and other associated sports and leisure sites.
- (ii) advise Members of the future options for the MBC and other sports and leisure facilities and seek authority for the Director of Culture and City Development to implement the agreed outcome in consultation with the Cabinet Member for Culture, Leisure and Sport and the Director of Finance & Information Services (S151 Officer).

RECOMMENDED:

- (1) That the Cabinet approve the re-procurement option for the Mountbatten Centre Contract and other Leisure Management Contracts for the provision of these facilities.**
- (2) That the City Solicitor, the Director of Finance and Information Services (Section 151 Officer) in consultation with the Cabinet Member for Culture, Leisure and Sport have delegated authority to conclude all necessary actions to implement the decision.**

Members of the public are now permitted to use both audio visual recording devices and social media during this meeting, on the understanding that it neither disrupts the meeting or records those stating explicitly that they do not wish to be recorded. Guidance on the use of devices at meetings open to the public is available on the Council's website and posters on the wall of the meeting's venue