



NOTICE OF MEETING

CABINET

THURSDAY, 8 DECEMBER 2016 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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If any member of the public wishing to attend the meeting has access requirements, please notify the contact named above.

Membership

Councillor Donna Jones (Chair)

Councillor Luke Stubbs
Councillor Ryan Brent
Councillor Jim Fleming
Councillor Lee Mason

Councillor Rob 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 - 10 November 2016 (Pages 7 - 10)**

A copy of the record of the previous decisions taken at Cabinet on 10 November 2016 are attached.

RECOMMENDED that the record of decisions of the Cabinet meeting held on 10 November 2016 be approved as a correct record to be signed by the Leader.

4 **Appointments**

Additional Heritage Champions

RECOMMENDED that Councillors Steve Hastings and John Ferrett also be appointed as Heritage Champions.

(Councillor Stephen Morgan has already been appointed as one of PCC's Heritage Champions.)

The role is to act as champion on matters pertaining to Heritage to act as a focal point and advocate, inspire, influence and communicate both inside and external to the Council.

5 **Portsmouth Safeguarding Children Board Annual Report** (Pages 11 - 42)

Reg Hooke the PSCB Chair will introduce the sixth Annual Report of the Portsmouth Safeguarding Children Board on the effectiveness of safeguarding children in Portsmouth.

RECOMMENDATION: Members are invited to receive the Portsmouth Safeguarding Children Board Annual Report and to note areas of progress and challenges in the work delivered by services to safeguard children and promote their well-being.

6 **Budget and Performance Monitoring 2016/17 (2nd Quarter) to end September 2016** (Pages 43 - 54)

The purpose of the report by the Director of Finance and Information Service is to update members on the current Revenue Budget position of the Council as at the end of the second quarter for 2016/17 in accordance with the proposals set out in the "Portsmouth City Council - Budget & Council Tax 2016/17 & Medium Term Budget Forecast 2017/18 to 2019/20" report approved by the City Council on the 9th February 2016.

RECOMMENDED to Council that:

(i) The forecast outturn position for 2016/17 be noted:

(a) An overspend of £418,600 before further forecast transfers from/(to) Portfolio Specific Reserves & Ring Fenced Public Health Reserve

(b) An overspend of £33,300 after further forecast transfers from/(to) Portfolio Specific Reserves & Ring Fenced Public Health Reserve.

(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 2017/18 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 2017/18 Portfolio cash limit will be managed to avoid further overspending during 2017/18.

7 **New Sports and Leisure Contracts - Prudential Borrowing Requirement** (Pages 55 - 58)

The report by the Director of Finance & Information Service (S151 Officer) seeks approval for a capital scheme to be added to the Capital Programme approved by the City Council on 9th February 2016. This will enable various

capital investment works and major repairs to the city's Sports and Leisure facilities to be undertaken after the commencement of the new Sports and Leisure contracts for which BH Live have recently been awarded preferred bidder status.

RECOMMENDED to Council that the following be approved:

(1) The currently approved Capital Programme 2015/16 to 2020/21 is updated to include the capital scheme "Sports and Leisure Facilities Investment" at an estimated cost of £2.4m.

(2) Following completion of a comprehensive financial appraisal, approved by the Director of Finance & S151 Officer demonstrating that the additional reduction in cost arising from the investment can significantly exceed the associated borrowing costs over the life of the contract, that the cost of the scheme be financed from Prudential Borrowing.

8 Portsmouth City Council Revenue Budget 2017/18 - Savings Proposals (Pages 59 - 98)

The report by the Director of Finance and Section 151 Officer describes the financial challenge facing the City Council for the three years 2017/18 to 2019/20 and the likely implications for Council services to businesses and residents.

RECOMMENDED to Council

(1) That the following be approved:

(a) The Medium Term Financial Strategy set out in Section 8

(b) That the Council's Budget for 2017/18 be prepared on the basis of a 3.99% Council Tax increase

(c) 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 otherwise unfunded cost pressures.

(d) The savings proposals for each Portfolio amounting, in total, to £9m for 2017/18 and continuing into future years as set out in Appendix A to enable appropriate consultation and notice periods to be given to affected parties

(e) That the criteria for the use of the Voluntary Sector Capacity & Transition Fund be replaced with the following:

i) Overall fit with the Council's objectives - providing services consistent with the Council's responsibilities that are not replicated elsewhere

ii) Integration and/or collaboration with other voluntary sector partners - demonstrating a willingness to transform and build voluntary sector capacity on a sustainable basis

iii) Deliverability - proposals are costed robustly and plans demonstrate that they can be confidently delivered

iv) Sustainability - a single application for a 1 year, 2 year or 3 year award which demonstrates an operating model that will endure

without further funding from the Council

v) **Cost Avoidance** - illustration of how the proposal avoids costs elsewhere "in the system" and / or improves the integration and efficiency of the voluntary sector as a whole

vi) **Potential for further Transformation** - the extent to which the proposal could drive further transformation and capacity of the voluntary sector in the future

vii) **Wider economic impacts**

(2) That the following be noted:

(a) The Budget Savings Requirement for 2017/18 of £9m approved by the City Council was based on a Council Tax increase of 3.99%; each 1% change (increase or decrease) in the Council Tax results in a change to the savings requirement of £652,000¹

(b) The key themes arising from the budget consultation

(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 1 (d) 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 1(d)

(e) The Local Council Tax Support Scheme for 2017/18 was approved by the City Council on 15 November 2016, the associated savings are now reflected in the overall savings requirement of £9m; the scheme itself has now been approved and that scheme is not the subject of this report, the proposals in this report simply reflect the associated budget position

(f) 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

(g) 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

(h) Managers will commence the implementation of the approved savings required and any necessary consultation process or notice process

(i) 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)

(j) 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 10.15 of the report

(k) The MTRS Reserve held to fund the upfront costs associated with

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

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

9 Exclusion of Press and Public

RECOMMENDED 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.

(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.)

Item 10	Paragraph
Utility and Engineering Trading Co (appendices only) (Paragraph 3 relates to the finances of a body)	3

10 Utility and Engineering Trading Company (Pages 99 - 104)

The purpose of the report by the Director of Housing & Property is to seek approval for the formation of an arm's length trading company for the purpose of delivering energy and engineering services to a wide range of external organisations, and capable of operating as a provider of district heat and power. The company will seek to increase income to the council through an appropriate commercial and legal framework.

The appendices to this report are exempt.

RECOMMENDED that the Cabinet approves the following recommendations:

- (1) To instruct the City Solicitor, in conjunction with the Leader of the Council and the Cabinet Member for Resources, to form an arms-length energy and engineering services company as a group**

company under a wholly owned holding company, and capable of delivering and operating district heat and power schemes, as described in the Appendices to this report.

- (2) That the City Solicitor, the Director of Finance and Section 151 Officer, in conjunction with the Leader of the Council and the Cabinet Member for Resources, be authorised to enter into such company constitutional documents and service and supply agreements with the company as are required by the company for its operation, and for the Council/holding company to most effectively manage its operation.**

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.