

CABINET MEMBER FOR RESOURCES DECISION MEETING

RECORD OF DECISIONS taken by the Cabinet Member for Resources, Councillor Hugh Mason, at his decision meeting held on Thursday 25 March 2010 at 9.30am in the Guildhall, Portsmouth. Opposition spokespersons Councillors David Horne (Labour) and Donna Jones (Conservative) were also present.

Councillor Hugh Mason welcomed opposition spokespersons and officers to the meeting.

1. Declarations of members' interests (AI 1)

There were no prejudicial declarations of interest.

2. Monitoring of the Third Quarter 2009/10 – Revenue Cash Limit and Capital Programme (AI 2)

(TAKE IN REPORT BY THE HEAD OF FINANCIAL SERVICES)

Ms Sue Page, Finance Manager, introduced the report stating that it presented the forecast revenue expenditure for the year compared with the cash limited budget and the forecast capital expenditure against the capital programme for the Resources portfolio. She added that the main areas of variance related to revenue costs for the new telephone system which had slipped into 2010/11, the increase in fee generating work in Asset Management (AMS) and an underspend in administration costs in Housing Benefit Administration due to one off government funding allocations.

In response to a question from Councillor Hugh Mason about the funds being held for the possible second crane at the port, Ms Page stated that, generally savings in the capital programme were returned to the corporate fund but that the cranes were funded from Prudential borrowing. She also clarified, following a question from Councillor Donna Jones, that although the original report to members indicated that money for the cranes came from the corporate fund, all capital schemes were allocated to a portfolio budget and in this case it had been attributed to Resources.

Councillor David Horne sought further information on the AMS underspend. Ms Page stated that the Design team had focused on fee earning capital work as opposed to non-fee earning revenue work which would include maintenance and feasibility studies. She added that the Head of Asset Management also had responsibility for the Corporate Property Portfolio budget within the PRED Portfolio and that this budget was currently forecasting an overspend of £121,000. Ms Page stated that it was proposed that this overspend be met from the forecast underspend within the Resources portfolio and that the Strategic Director and S151 Officer make the necessary adjustment to the cash limits of the two portfolios in accordance with the delegated powers agreed at the Budget meeting in February 2010.

DECISIONS:

- **The content of the report be noted**
- **The strategic director and Section 151 officer make the necessary adjustments to the cash limits of the PRED and Resources Portfolios as described in paragraph 5.5 of the report.**

3. Insurance Procurement (AI 3)

(TAKE IN REPORT BY THE HEAD OF AUDIT
AND PERFORMANCE IMPROVEMENT)

Dominic Kirby, Risk Manager, introduced the report stating that the existing contracts expired at the end of June 2010 and that Portsmouth City Council in conjunction with its broker, Marsh UK, had conducted a full EU tender process to secure new value for money contracts for the next five years. He added that officers sought approval to award the insurance contracts to three preferred insurance companies and that the £300,000 cost saving in 2010/11 and the additional savings in future years be transferred into the Insurance Reserve as a first step towards building this reserve up to the minimum recommended level.

Councillor Hugh Mason sought further information about the matrix of information from which the recommendations had been developed. Mr Kirby replied that Portsmouth City Council and Marsh UK had looked at the portfolio of cover currently held, excess levels and the length of contract with the aim of negotiating best value cover. He added that 23 companies had been invited to tender, that 9 had tendered for some aspects and that two had tendered for the whole package. He added further that the composite deal recommended had saved £80,000 compared to the best single insurer package offered and confirmed that rationalising the excess to £50,000 would not be economic at present but would be subject to review.

Councillor Donna Jones sought further information about the risk management support outlined on page 6 of the Tender Report and was informed that a decision on using the risk management support or commuting it to a premium subsidy or bursary would be made in June 2010.

Mr Kirby confirmed that Portsmouth City Council presented a low risk to insurers based on its claim history and that notwithstanding a five year contract premiums would be reviewed annually and would rise or fall accordingly. Following some discussion about the Insurance Reserve, Mr Kirby confirmed that payments relating to claims against the council during past years when it did not hold outside insurance would be paid from the Insurance Reserve. He added that insurance premiums were low at present, although likely to rise again and that insurers had lost business from other large customers locally and were keen to retain Portsmouth City Council as a client.

Councillor Hugh Mason asked officers to provide the Cabinet Member for Resources with an annual report on Insurance provision in order that members could keep the matter under review.

DECISIONS:

- **The Cabinet Member for Resources agreed to award the insurance contracts to the three preferred insurance companies, as set out on page 24 of Appendix 1.**
- **The £300,000 cost saving in 2010/11 and the additional savings in future years be transferred into the Insurance Reserve as a first step towards building this reserve up to the minimum recommended level.**

4. Voluntary and Community Sector (VCS) 2010/11 (AI 4)

(TAKE IN THE REPORT BY THE HEAD OF CUSTOMER,
COMMUNITY AND DEMOCRATIC SERVICES)

Ms Mandy Lindley, Third Sector Partnerships & Commissioning Manager, introduced the report stating that the portfolio holders and directorate grants officers had been consulted on the recommendations in the report. She added that in line with the previous year, organisations currently receiving funding were invited to re-apply for grant funding for 2010/11 and that organisations enquiring about funding had been sent an application pack and their applications had been considered by portfolio holders. She confirmed that, should the recommendations be agreed, letters to applicants would be despatched the following day and that the fund year would start on 1 July 2010 to allow the process to be Compact compliant.

Councillor David Horne asked for further information about the Pompey Pensioner Magazine (Appendix 1, page 1) and was informed that this was previously joint-funded by Social Care but that additional funds had been set aside in the budget to ensure that four copies per year could continue to be produced.

Councillor Donna Jones sought further information about Community First and its value to Portsmouth City Council. Ms Lindley responded stating that Community First was in the second of a three-year contract, that annual priorities were agreed with them and that following the Partnership Improvement Plan meetings held recently there was an opportunity to further performance manage the organisation in future. She added that a Strategy for a Thriving Third Sector was in development and that this would seek to develop peer group reviews to develop performance indicators in conjunction with Portsmouth City Council and Community First. She confirmed that the contract with Community First was subject to a 12-week break clause.

Councillor Donna Jones stated that she was keen for members to receive further information about these developments, particularly the outcomes from the Partnership Improvement Plan meetings. Councillor Hugh Mason

agreed and asked for a report on this to come to the next portfolio meeting.

DECISIONS that:

- **The allocation of funding for 2010/11 were agreed**
- **Directorates which had reduced levels of funding to Voluntary & Community Organisations should meet with them to discuss other funding sources & monitor the impact of reduction in services.**

5. Date of Next Meeting (AI 5)

DECISION: That the date of the next meeting be scheduled for 8 July 2010 at 9.30am. Venue to be arranged.

The meeting concluded at 10.15am.

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Councillor Hugh Mason
Cabinet Member for Resources