

NOTICE OF MEETING

CABINET

THURSDAY, 25 SEPTEMBER 2014 AT 1PM

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 Frank Jonas
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 the Previous Decision Meeting - 14 August 2014

The record of decisions of the Cabinet meeting held on 14 August 2014 will follow.

RECOMMENDED that the record of decisions of the Cabinet meeting held on 14 August 2014 be agreed as a correct record and signed by the chair.

4 Overlord Embroidery Liaison Committee Appointment

As part of the annual appointments to outside bodies Councillors Margaret Adair, Frank Jonas and Phil Smith were confirmed as the Culture, Leisure & Sport representatives on this liaison committee, which meets annually with the Overlord Embroidery Trustees to discuss arrangements relating to the Overlord Embroidery at the D Day Museum. Councillor Linda Symes as the Cabinet Member for Culture, Leisure & Sport would like to attend and chair this meeting as a council appointee when it meets on 10 November 2014 at the City Museum. This was previously chaired by Paula Riches who represented the previous Cabinet Member for Culture, Leisure & Sport.

For the Cabinet meeting on 26 June 2014 the nominees were:

- Liberal Democrats - Councillors Margaret Adair and Phil Smith.
- Conservatives - Councillors Simon Bosher, Steve Wemyss and Frank Jonas.

RECOMMENDED that the Cabinet reappoint the three Culture, Leisure & Sport portfolio representatives for this municipal year, to include the Cabinet Member for Culture, Leisure & Sport.

5 Treasury Management Outturn 2013/14 (Pages 1 - 24)

The Chartered Institute of Public Finance and Accountancy's (CIPFA) Prudential Code requires local authorities to calculate prudential indicators before the start of and after each financial year. Those indicators that the Council is required to calculate at the end of the financial year are contained in Appendix A of this report.

The CIPFA Code of Practice on Treasury Management also requires the Section 151 Officer to prepare an annual report on the outturn of the previous year. This information is shown in Appendix B of the report.

RECOMMENDED that the following recommendations relating to Appendices A and B of this report be approved:

Appendix A - that the following actual prudential indicators based on the unaudited draft accounts be noted:

- (a) The actual ratio of non Housing Revenue Account (HRA) financing costs to the non HRA net revenue stream of 10.3%;**
- (b) The actual ratio of HRA financing costs to the HRA net revenue stream of 12.2%;**
- (c) Actual non HRA capital expenditure for 2013/14 of £61,687,000;**
- (d) Actual HRA capital expenditure for 2013/14 of £30,110,000;**
- (e) The actual non HRA capital financing requirement as at 31 March 2014 of £267,848,000;**
- (f) The actual HRA capital financing requirement as at 31 March 2014 of £143,557,000;**
- (g) Actual external debt as at 31 March 2014 was £441,970,134 compared with £450,283,442 at 31 March 2013.**

Appendix B - That the following actual Treasury Management indicators for 2013/14 be noted:

- (a) **The council's gross debt less investments at 31 March 2014 was £145,209,000;**
 (b) **The maturity structure of the council's borrowing was:**

	Under 1 Year	1-2 Years	3-5 Years	6-10 Years	11-20 Years	21-30 Years	31-50 Years	41-50 Years
Actual	4%	1%	3%	5%	9%	13%	16%	49%

- (c) **The Council's sums invested for periods longer than 364 days at 31 March 2014 were:**

	Actual £m
31/3/2014	108
31/3/2015	66
31/3/2016	51

- (d) **The council's fixed interest rate exposure at 31 March 2014 was £247m, i.e. the Council had net fixed interest rate borrowing of £247m**
 (e) **The council's variable interest rate exposure at 31 March 2014 was (£189m), i.e. the council had net variable interest rate investments of £189m**

6 Landlords Maintenance Capital Budget (Pages 25 - 32)

This report highlights the potentially significant adverse implications of reducing the Landlords Maintenance Capital Budget going forward, and seeks to establish an on-going commitment to fund our Priority 1 landlord maintenance requirements.

RECOMMENDED that the Cabinet:

- Note the shortfall in funding required to fulfil the backlog of repairs required to Portsmouth City Council's operational assets and recognises the implications of not delivering the required Priority 1 repairs.**
- Agree to consider the content of this report, as part of the capital resource allocation process.**

7 Purchase of Equity Shares in Municipal Bonds Agency (Pages 33 - 36)

The attached report by the Head of Finance and Section 151 Officer seeks Cabinet approval to subscribe for £150,000 of share in the Municipal Bonds Agency.

RECOMMENDED that the Cabinet agree:

1. That the City Council subscribes for £150,000 of ordinary shares in the Local Capital Finance Company Limited which will operate the municipal bonds agency.
2. That the purchase of the shares be financed from a revenue contribution to capital outlay funded from the contingency provision in the revenue budget.

8 Budget and Performance Monitoring 2014/15 1st Quarter (to end June 2014) (Pages 37 - 72)

The purpose of the attached report by the Head of Finance & Section 151 Officer is to update members on the current Revenue Budget position of the council as at the end of the first quarter for 2014/15 in accordance with the proposals set out in the "Portsmouth City Council - Council Tax Setting 2014/15 to 2017/18 & Medium Term Budget Forecast 2014/15 to 2017/18" report approved by the City Council on the 11th February 2014.

To also take the opportunity to report on the key performance measures of the council and highlight any relationships between financial performance and service performance that may indicate any potential or emerging matters of concern in relation to either.

RECOMMENDED that:

1. The contents of this report be noted, in particular the overall forecast overspend of £3,073,600 representing a variance of 1.76% against the City Council Budget (as adjusted) of £175,029,925.
2. Reports are prepared setting out the options for significantly reducing or eliminating the adverse budget position presently being forecast within Children & Education, Health & Social Care and Traffic & Transportation Portfolios, including the associated impact of doing so.
3. That the Council Leader works with the relevant portfolio holder to consider measures necessary to significantly reduce or eliminate the adverse budget position presently being forecast within Children & Education, Health & Social Care and Traffic & Transportation Portfolios and any necessary decisions presented to a future meeting of the relevant portfolio.

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