



**Notification to all Members of the council
of decisions by the Cabinet**

Issued by the Director of Community & Communication

Thursday 28 February 2019

The details set out below will be published in the next Members' Information Service, but in the meantime are notified to all Councillors in accordance with Rule 15(a) of the Policy and Review Panels Procedure Rules

The following decisions have been taken by the Cabinet (or individual Cabinet members) and will be implemented unless the call-in procedure is activated. Rule 15 of the Policy and Review Procedure Rules requires a call-in notice to be signed by any 5 members of the Council. The call-in request must be made to democratic@portsmouthcc.gov.uk and must be made by not later than 5pm on Thursday 7th March 2019.

If you want to know more about a proposal, please contact the officer indicated. You can also see the report(s) on the Council's web site at www.portsmouth.gov.uk

	WARD	DECISION	OFFICER CONTACT
		Cabinet Decision Meeting - 26 February The Cabinet has made the following decisions:-	Joanne Wildsmith, Democratic Services Tel 9283 4057 joanne.wildsmith@portsmouthcc.gov.uk
4	St Thomas	Leamington House and Horatia House Next Steps DECISIONS: The Cabinet: (1) Noted the results of the feasibility work to strengthen, clad and install sprinklers into Leamington House and Horatia House; (2) Agreed that it is financially unviable to undertake the works to strengthen, clad and install sprinklers into Leamington House and Horatia House, and as a result; (3) Agreed that on completion of the permanent rehousing of all households from Leamington House and Horatia House, the two blocks will be removed from charge, decommissioned and	James Hill Director of Housing, Neighbourhood and Building Services

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		<p>secured;</p> <p>(4) Gave delegated approval to the Director of Housing, Neighbourhood and Building Services authority to incur costs to carry out decommissioning works of Leamington House and Horatia House and secure both blocks;</p> <p>(5) Agreed that there is an opportunity for the sites to be redeveloped to create affordable/social housing and regeneration in this area of the City and requests the Regeneration Directorate working with the Housing Directorate to provide a report to Cabinet with an options appraisal for the demolition of Leamington House and Horatia House and redevelopment of the sites in consultation with the local and wider Somers town community and stakeholders;</p> <p>(6) Noted the loss of social housing units to the Housing Revenue Account and requests that the options appraisal for the development of the Leamington House and Horatia House sites includes the re-provision of a minimum of 272 social housing units to be held in the HRA.</p>	
5		<p>Residents' Parking Programme of Consultation Update</p> <p>DECISIONS:</p> <p>The Cabinet agreed that</p> <p>(1) the progress made between August 2018 - February 2019 on the Residents' Parking Programme be noted;</p> <p>(2) the next areas for informal survey were reconfirmed, as per the approved Programme;</p> <p>(3) the anticipated Residents Parking Zone (RPZ) Programme timescales were noted (as set out in Appendix A)</p>	Pam Turton Assistant Director Transport
6		<p>Board Composition of Portsmouth City Council companies</p> <p>(This report was not published or considered at this meeting)</p>	
7		<p>Exclusion of Press and Public</p> <p>(The resolution to uphold the exempt status of the specified appendices to the next 3 reports was passed.)</p>	

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8		<p>Ravelin Group of Companies</p> <p>DECISIONS:</p> <p>The Cabinet APPROVED:</p> <p>(1) That the business case and purpose for Hold Co be approved, including delegating authority to the Director Regeneration and City Solicitor in consultation with the s.151 officer to create a new subsidiary company to support the delivery of HRA projects with development management and project management services.</p> <p>(2) To note that the need for the creation of a fit-for-purpose Board of Directors for each of the incorporated Ravelin companies based around an understanding of the skillsets required to support the company in both a commercial and local authority environment.</p> <p>(3) That new directors are appointed to Hold Co and Prop Co to ensure the companies can remain quorate and able to trade.</p> <p>And RECOMMENDED TO COUNCIL approval of the following recommendations:-</p> <p>(4) That authority is delegated to the Director of Finance and Section 151 Officer in consultation with the Leader of the Council, upon agreement of the business justification case's for each of the proposed development sites, to:-</p> <p>(i) make changes to the budgetary framework as necessary</p> <p>(ii) To borrow as required for Ravelin Group development purposes, subject to a robust financial appraisal approved by the Director of Finance & S151 Officer that demonstrates the delivery of the best return to Portsmouth City Council and has proper regard to the following:</p> <ul style="list-style-type: none"> • The relevant capital and revenue costs and income resulting from the investment over the whole life of the development. 	Tristan Samuels, Director of Regeneration

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		<ul style="list-style-type: none"> • The extent to which the investment is expected to deliver a secure ongoing income stream. • The level of expected return on the investment. • The payback period of the capital investment. • The tax status and transactional tax events associated with any land transfers or activity of the companies. 	
9		<p>City Centre Regeneration (Heads of Terms)</p> <p>DECISIONS:</p> <p>The Cabinet:</p> <p>(1) Noted the work to date on the various workstreams that are being aligned to bring about the successful culturally-led regeneration of Portsmouth City Centre.</p> <p>(2) Agreed the Heads of Terms for the proposed joint venture LLP between Portsmouth City Council and DV4 Limited.</p> <p>(3) Delegated authority to the Director of Finance and Information Services, the Head of Legal and the Director of Regeneration to negotiate and enter into the joint venture LLP in line with the agreed Heads of Terms.</p> <p>(4) Delegated authority to the Director of Regeneration the management of spend on project related works against the capital budgets for the City Centre Regeneration. Spend will include negotiations and agreement of contracts, to consult on design options and develop a feasibility study in conjunction with residents and stakeholders and to ensure that the joint venture is fundable and delivers economic and commercial benefits for the Council as well as the wider regeneration benefits for the city as a whole.</p> <p>(5) Delegated authority to the Director of</p>	

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		<p>Regeneration to work with the developers, the community and other stakeholders to co-design and implement a worthwhile temporary use strategy for the City Centre, with a particular focus on the Tricorn site.</p> <p>(6) Delegated authority to the Director of Regeneration to create a consultation space within the City Centre to encourage ongoing open and transparent communication with all members of the community.</p> <p>(7) Noted that:</p> <p>(i) The S.151 Officer, in consultation with the Leader, has delegated authority to borrow as necessary for the Joint Venture limited liability partnership which is established to deliver the City Centre re-development as approved in the report to the Council consider on 12th February 2019.</p> <p>(ii) Prior to any borrowing described above, a full business case and financial appraisal is prepared that can satisfactorily demonstrate with good certainty that cost savings / additional income or value uplift of the development that will accrue directly to the Council will at least cover the cost of that borrowing on a sustained basis over the lifetime of the borrowing undertaken.</p>	
10		<p>MMD Update Review</p> <p>DECISIONS:</p> <p>1. The Cabinet adopted Option 2 as their preferred option.</p> <p>2. The Cabinet agreed that a loan facility of £15m be provided to MMD (subject to decisions 3, 4 and 5 below) for the necessary Capital Investment required to deliver a return of £19.3m over the 5 year period 2019/20 to 2023/24, which was approved in principle by City Council on 12 February 2019.</p> <p>3. The Council loan is provided at a rate consistent with State Aid rules.</p>	<p>Mike Sellers, Port Director & Chris Ward Director of Finance and S151 Officer</p>

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	<p>4. Any draw down on the loan facility by MMD is subject to the following:</p> <p>a) The 20 Year Business Plan demonstrates the continuing viability of MMD and that the continued operation of MMD continues to deliver the best financial return compared with all other viable alternatives.</p> <p>b) The Capital Investment is necessary either for the sustainability of existing income streams or for the generation of additional income.</p> <p>c) The proposed Capital Investment itself represents the most favourable return when assessed against the balance of:</p> <p>i) The financial return on a Net Present Value basis and over the whole life of the asset created versus other potential options for the same outcome.</p> <p>ii) The relative risk of each alternative option.</p> <p>5. Continued parent company support and the availability of the loan facility is subject to the annual review and approval of a satisfactory 3 Year Business Plan and 20 Year Future Forecast which must demonstrate to the shareholders satisfaction that:</p> <p>i) The assumptions that underpin the 3 Year Business Plan are robust with a more than reasonable chance of being achievable.</p> <p>ii) That the 3 Year Business Plan is prepared to illustrate the financial effect of reasonable optimistic and reasonable pessimistic scenarios in order that the Shareholder is aware of the reasonable range of risk associated with the "Base Case" Business Plan.</p> <p>iii) Recognising the exposure of the company to cyclical trade factors and adverse weather, that the overall 3 to 5 Year financial results of the Company provide an overall net return to the Shareholder over the period taking into account all returns received by the Shareholder through rents, dues and all other profit elements of services provided by the Shareholder (including the Portsmouth International Port).</p>	

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		<p>6. The Council keeps under review the returns that would reasonably be expected to be achieved from alternative uses of the site, undertaking a formal review at the earlier of every 3 years or failure to achieve the financial performance set out in resolution 5 above.</p> <p>7. That there be an annual information report to Council setting out the financial position of MMD.</p>	