

CABINET MEMBER - THE LEADER

RECORD OF DECISIONS of the meeting of the Cabinet Member - the Leader held on Friday, 11 October 2019 at 11.45 am at the Guildhall, Portsmouth

Present

Councillor Gerald Vernon-Jackson CBE (in the Chair)

Councillors Stephen Morgan
Claire Udy

1. Apologies for absence

The Chair read out the housekeeping information and welcomed everyone to the meeting.

There were no apologies for absence.

2. Declarations of Members' Interests

There were no declarations of members' interests.

3. Forward Plan Omission - Crane Purchase

The Leader apologised for the omission from the Forward Plan but all present were content to proceed.

DECISION

(1) the omission to the Forward Plan for October 2019 be noted;

(2) publication of the omission notice be noted.

4. Exclusion of Press and Public - Crane Purchase (appendix only)

DECISION:

that the following motion be adopted:

“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”.

However, the Leader said that the proceedings would be kept in open session so long as nobody wished to refer to the contents of exempt appendix A.

5. Crane Purchase

(TAKE IN REPORT)

Chris Ward, Director of Finance & Revenue (Section 151 Officer) introduced the report which seeks approval for a new crane to be purchased at Portsmouth International Port, and to be leased to Portico at a cost of £3m. It was intended that the report be submitted to Council on 15 October 2019 for approval.

Mr Ward explained that although this was already a planned purchase by Portsmouth City Council (as opposed to Portico), an opportunity for increased trade had occurred should the purchase of the crane be brought forward. He said there was a clear financial case for bringing forward the acquisition of the crane as opposed to not doing so as the Council will be around £3m better off.

He advised that the Council's policy has been to acquire the cranes themselves and lease those cranes to Portico. Since cranes have strong re-sale value, it is considered that having ownership of the asset affords the Council the most secure method of underwriting the loan which has been taken out for the purchase.

Mark Webb advised that as part of the Council's assessment of whether to invest in a new crane and lease to Portico, it needs to satisfy itself that this expenditure is commercially justified by asking the same commercially-based questions that a private shareholder in business would ask as set out in 4.6 of the report.

The Leader said that this matter should be progressed and should go on to full Council with the recommendations in the report. The opposition spokespersons agreed with this approach.

The Leader RECOMMENDED to Council that

- (1) The Council purchase a crane at a cost of £3.0m and this be added to the Capital Programme, to be funded by Prudential Borrowing.**
- (2) The crane is leased to Portico on terms and at a rate consistent with state aid rules.**

The meeting concluded at 11.55 am.

Councillor Gerald Vernon-Jackson CBE
Chair