

CABINET

RECORD OF DECISIONS of the meeting of the Cabinet held on Monday, 17 June 2019 at 1.00 pm at the Guildhall, Portsmouth

Present

Councillor Gerald Vernon-Jackson CBE (in the Chair)

Councillors Steve Pitt
Dave Ashmore
Suzy Horton
Lee Hunt

58. Apologies for Absence (AI 1)

These had been received from Councillors Lynne Stagg, Matthew Winnington, Jeanette Smith, Darren Sanders and Rob Wood.

59. Declarations of Interests (AI 2)

There were no declarations of members' interests.

60. Forward Plan Omission (AI 3)

With regards to the item relating to the Significant Property Acquisition, the Cabinet noted:

- (1) The omission to the Forward Plan for June 2019
- (2) The publication of the omission notice.

61. Significant Property Acquisition (AI 4)

Tom Southall, Assistant Director, Property & Investment, presented his report and it was reported that Chris Ward, Director of Finance & Section 151 Officer would be making a full presentation to Council at the meeting later in the day. Paragraphs 3.7 to 3.10 of the report set out the importance of the site and its influence on the economic development of the city. Chris Ward stressed that this would be a long term regeneration asset for 35 years plus.

Councillor Gerald Vernon-Jackson, as Leader, reiterated that this would be a long term decision, taken for the economic development of the city, so he wished to add an addition recommendation to set up a cross-party board for its governance.

Councillor Steve Pitt, Deputy Leader, agreed that this was a long term strategic asset that needed discussion at full Council, and which would benefit the north of the city as well as the whole city. Councillor Dave Ashmore agreed that council influence was important for the future of this site, including consideration of the environmental impacts and infrastructure there.

The Cabinet approved DECISIONS (1) & (2)

(1) Subject to the approval of the City Council of the recommendations (3) below, that delegated authority be given to the Director of Regeneration and the Director of Finance & Section 151 Officer, taking advice from the City Solicitor, and in consultation with the Leader of the City Council to approve the completion of the acquisition of Lakeside North Harbour.

(2) That a cross-party board be established as the governing entity to oversee the overall strategic management of the asset.

The Cabinet RECOMMENDED to Council:

(3) (a) That the acquisition of Lakeside North Harbour Business Park be added to the Council's Capital Programme and financed by borrowing, subject to:

i) The satisfactory completion of the outstanding due diligence

ii) A financial appraisal (based on the completed due diligence) being approved by the Director of Finance & Section 151 Officer which demonstrates that the total financial impact and financial risks are affordable and manageable by the Council over the longer term.

(b) That the following Treasury Management Limits be approved:

i) That the authorised limit for external borrowing be increased to £807m

ii) That the operational boundary be increased to £777m

(4) That the Council notes that the following urgent decisions have been taken by the Chief Executive in accordance with Standing Order 58 of the Council's Procedure Rules in order that advance treasury management preparations could be made for the transaction should the Council approve the acquisition:

i) That the investment counter party limit for Barclays Bank Plc has been temporarily increased to £100m

ii) That the sector limit for investments in money market funds has been temporarily increased to £104m.

(5) Note that in approving the temporary changes to the treasury management limits, no obligation to acquire the property has been entered into and no long term financial liabilities have been incurred. The changes simply enable the Council to accumulate the necessary funding in a risk managed and cost efficient manner and have funds available should the transaction be approved, the risks are considered negligible.

The meeting concluded at 1.10 pm.

Councillor Gerald Vernon-Jackson CBE
Leader of the Council