

CABINET

RECORD OF DECISIONS of the meeting of the Cabinet held on Monday 14 February 2022 at 1.10pm at the Guildhall, Portsmouth

Present

Councillor Gerald Vernon-Jackson CBE
Suzy Horton
Chris Attwell
Dave Ashmore
Ben Dowling
Hugh Mason
Darren Sanders
Lynne Stagg

20. Apologies for Absence (AI 1)

Councillors Kimberly Barrett and Jason Fazackarley sent their apologies.

21. Declarations of Interests (AI 2)

Councillor Gerald Vernon-Jackson declared a prejudicial interest in item 5 and will leave the room for that item.

22. Record of Decisions - Cabinet Sub-Committee meeting on 15 December 2021 (AI 3)

DECISION

The minutes of the meeting held 15 February were confirmed as a correct record.

23. The Council as company owner (AI 4)

James Berry, Companies Lawyer introduced the report.

The importance of Council owned companies making regular and proportionate financial reports to the Governance & Audit & Standards Committee at least annually was discussed.

In response to Councillor Cal Corkery's questions, Councillor Vernon Jackson explained that having the reports come to a public meeting where Opposition Councillors get a vote means that there is more cross-party engagement.

All the scrutiny panels, except the Health Overview & Scrutiny Panel are chaired by opposition Councillors who decide their work programmes and these can include both pre and post-scrutiny.

Action

Opposition party leaders will be informed when outside company reports are coming up and an invitation sent.

DECISIONS

Cabinet:

- 1. Agreed that there be a minimum requirement for a financial report come to the Governance & Audit & Standards Committee annually.**
- 2. Agreed that a standing quarterly item (in June, September, December and March) be reserved on Cabinet agenda to report on issues concerning the shareholder function in PCC company matters;**
- 3. Authorised the City Solicitor to engage the services of Local Partnerships to provide commercial advice to Cabinet in relation to Council owned companies going forward.**

24. Portico Shipping Limited (AI 5)

Councillor Ben Dowling chaired this item.

Mike Sellers, Port Director declared a non-prejudicial interest; he is responsible for the oversight of the port and sits on the board. He introduced the report and in response to a question explained that Cabinet has the authority to approve the articles of association.

DECISIONS

Cabinet approved the revised Articles of Association of Portico and delegated authority to the City Solicitor to take such action as shareholder that is necessary to communicate such decision to Portico.

25. Portsmouth Harbour Renaissance Limited (AI 6)

David Williams, Chief Executive stated that he did not have anything to add to the administrative report about the largely dormant company. He needs to talk with the other shareholders about its future.

In response to a question, it was explained that if this company is not needed, then it will be wound up.

Councillor Corkery was asked by the Leader if he was happy with that and nodded.

DECISIONS

- 1. Delegated authority to the Chief Executive, in consultation with the City Solicitor and s151 Officer, to discharge all shareholder functions of the Council in relation to PHRL save as they relate to recommendation 2; and**
- 2. Noted that the Chief Executive will initiate discussions with the other shareholder of PHRL in relation to the future of the company; and**
- 3. Requested the Chief Executive to report back to Cabinet as to any shareholder action that maybe required as a consequence of the discussions at recommendation 2.**

26. Magna Park Management Limited (AI 7)

Tom Southall, Assistant Director Property & Investment highlighted recommendation 2.

In response to a question, he explained that a breakdown of income from individual assets is confidential but would talk to Councillor Hugh Mason outside of this meeting about Magna Park and Springvale.

Cabinet

1. **Delegated authority to the Assistant Director Property & Investment, in consultation with the City Solicitor and s151 Officer, to represent the Council as shareholder in matters related to the operation of Magna Park Limited; and**
2. **To report no less than annually to the Cabinet on the performance of the company and any other relevant matters relating to it.**

27. North Harbour Estate Management Limited (AI 8)

Tristan Samuels, Director of Regeneration introduced the report.

Cabinet

1. **Noted the appointment of the Assistant Director Property and Investment to the board of NHEML;**
2. **Delegated authority to the City Solicitor to liaise with the company secretary of NHEML to obtain a copy of the terms of appointment of the Assistant Director Property and Investment;**
3. **Delegated authority to the Director of Regeneration, in consultation with the City Solicitor and s151 Officer, to take decisions as shareholder in matters related to the operation of NHEML;**
4. **To report no less than annually to the Cabinet on the performance of the company and any other relevant matters relating to it.**

28. Springvale Management Company Limited (AI 9)

Tristan Samuels, Director of Regeneration stated that he had nothing to add to this paper.

Cabinet

1. **Noted the appointment of the Assistant Director Property and Investment to the board of Springvale Management Company Limited (SMCL);**
2. **Delegated authority to the City Solicitor to liaise with the company secretary of SCML to obtain a copy of the terms of appointment of the Assistant Director Property and Investment;**
3. **Delegated authority to the Director of Regeneration, in consultation with the City Solicitor and s151 Officer, to represent the Council as shareholder in matters relating to the operation of SMCL; and**
4. **To report no less than annually to the Cabinet on the performance of the company and any other relevant matters relating to it.**

29. HCB Holding Limited (AI 10)

Julian Pike, Deputy Director of Finance and S151 Officer introduced the report and in response to questions, explained that the organisation has progressed quite a long way in achieving its banking licence.

The current timetable is:

The application for a licence to allow it to operate as an authorised bank with restrictions is expected to be submitted this month. Authority should be granted in July/ August. A full licence would then be granted in quarter 1 of 2023.

The timetable has moved since 2014 significantly because of delays in the company being able to submit its application due to a number of issues including recruitment of staff, level of diligence and changes to banking regulations.

During the discussion that followed, the following concerns were raised:

- This was endorsed by Cabinet on 10 July 2014, but the nature of shareholding totally changed in February 2015 when we moved from B to A class shares.
- In the material presented to Full Council on 15 July 2014 it was expected that this organisation would be fully operational by late 2015.
- We do not have any specific right to appoint directors, despite having a 65% shareholding of ordinary A class shares. Any nominations by the council, would be subject to the unanimous agreement of the company's directors and our nomination could be voted down because we only have 30% of the votes.
- Disparity between investment and the ability to influence this.

Action

A report be brought to a meeting providing an update on progress and share ownership options within a short period of time.

DECISIONS

Cabinet

1. **Noted the appointment of the s151 Officer to the board of HCB Holding Limited;**
2. **Revoked the delegations to those named in recommendation 3 of paragraph 2 of the cabinet report dated 14/7/2014 (referred to in part 3.2) and re-designates that authority to the Deputy s151 officer in consultation with the Leader and City Solicitor¹; and**
3. **Delegated authority to the Deputy S151 Officer in consultation with the City Solicitor and the Leader, to make decisions as shareholder in matters related to the operation of HCB Holding Limited.**

.....
Councillor Gerald Vernon-Jackson CBE
Leader of the Council

¹ Recommendation 3 was "Authority to approve a Capital Investment of up to £5 million in in the creation of Hampshire Community Bank and incur any necessary costs relating to the Due Diligence process is delegated to the Head of Financial Services and Section 151 Officer in consultation with the Strategic Director Regeneration"