

EAST DEVON DISTRICT COUNCIL

Minutes of the meeting of Special Asset Management Forum held on 16 February 2021.

This meeting was held in private under Section 100(A)(4) of the Local Government Act 1972 as exempt and private information was likely to be disclosed and on balance the public interest was in discussing the item in private session.

Attendance list at end of document

The meeting started at 10:15am and concluded at 12:18pm.

45 Declarations of interest

Councillor Paul Hayward – personal, minute 46 - Parish Clerk to All Saints, Chardstock and Newton Poppleford and Harpford Parish Councils who may in future have to make decisions on assets.

46 Commercial Investment - review

The Forum discussed the approach to a review of the currently adopted Commercial Investment Framework.

The existing framework had its primary focus on generating a commercial return through investments in assets. Following the adoption of the Council's Statement of Intent, with a focus on supporting businesses, providing more social and affordable homes, and in responding to the impact of the pandemic, the existing framework needed to be amended to reflect the intent of the Council.

Rules over borrowing from the Public Works Loan Board (PWLB) had also been changed, in that yield could no longer be the primary objective of an investment funded by such borrowing.

The Forum discussed the opportunities in utilising borrowing, whereby the social, economic, and environmental benefits to the District as a whole would be the primary goal, with any yield generated being a secondary element that could be utilised to further assist the Council in its delivery of projects and services. Some existing projects, that had been previously reported in recent months to Cabinet, were highlighted as being some of those opportunities that the Council could take up. An investment fund of this nature could be a valuable tool in the Council directly taking forward projects to support wider economic recovery.

The Forum were reminded that the removal of the previously forecast commercial investment return had a significant impact on the Medium Term Financial Plan, and to fill that gap remained a challenge.

Discussion on the framework included:

- Renaming as "Investment Framework" to reflect revised purpose;
- Review delegation element to ensure a balance between making agile investment decisions so as not to miss opportunities, but including Portfolio Holder and (as relevant) Ward Member involvement;
- Explore if regeneration is a permitted reason by the PWLB for borrowing – specifically, if it can be argued that investing in a hotel, which would help regenerate an area, would meet their criteria; in response, such a specific

example had not yet been tested and would need considered legal opinion before pursuing;

- Key to look at existing assets in the Council's ownership, including how they could be utilised in other ways to deliver projects to support economic recovery and other objectives of the Council;
- Building on existing assets of seafronts, parks and gardens, and nature reserves, to help boost tourism offer;
- Investment in charging points for electric cars to meet future demand and meet climate change priority;
- Look at business unit provision and where best placed for emerging businesses as the area comes out of the pandemic;
- Cost and efficiency benefits in taking opportunities with Council owned land or asset;
- Criteria for project will need to include climate impact, poverty proofing and direct/indirect investment payback, on top of existing criteria in the currently adopted framework;
- Take advantage of fixed term borrowing while it is still available;
- More analysis needed on flexible office space demand;
- Work needs close links with both the PH Economy and the newly appointed PH Leisure, Sport and Tourism;
- Work was already underway outside of the investment fund to secure social housing where possible, but that was difficult in a competitive market;
- Consider if current proposed level of borrowing were sufficient to utilise on existing projects/investments and new opportunities;
- Look to maximise funding opportunities from other funding streams by using the investment framework to unlock the potential.

The Forum

RESOLVED that

- a) The Service Lead – Place, Assets and Commercialisation take forward the preparation of a new Investment Framework to support the aspirations set out in the report and addressing the outcomes from the meeting;
- b) An Investment Fund be an integral element in our supporting and sustaining of long term recovery from the pandemic;
- c) A new Member consultation process be drafted for planned use of the Investment Fund and brought to the next available Cabinet with respect to recommendation 10 of the Public Accounts Committee report of the July 2020, in order to balance speed and democracy.

Attendance List

Councillors present:

P Arnott
P Hayward (Chair)
D Ledger
F King
G Pratt

Councillors also present (for some or all the meeting)

M Armstrong
S Bond

S Chamberlain
O Davey
P Faithfull
S Gazzard
N Hookway
G Jung
P Millar
A Moulding
H Parr
E Wragg

Officers in attendance:

Simon Davey, Strategic Lead Finance
Debbie Meakin, Democratic Services Officer
Anita Williams, Principal Solicitor (and Deputy Monitoring Officer)
Andrew Wood, Service Lead - Growth Development and Prosperity
Tim Child, Service Lead - Place, Assets & Commercialisation