

Date of Meeting 27<sup>th</sup> July 2021

Document classification: Part A Public Document

Exemption applied: None

Review date for release N/A

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## Place & Prosperity Investment Framework

### Report summary:

This is an update on current position and next steps.

A Special Meeting of the Forum, not open to the public was held on 16<sup>th</sup> February 2021 to consider the Council's adopted Commercial Investment Framework. From this meeting the Service Lead – Place, Assets & Commercialisation was asked to take forward the preparation of a new Investment Framework to set out the aspirations within the report.

At a meeting of the Forum on 9<sup>th</sup> March 2021 the Service Lead reported on the outcomes of the 16<sup>th</sup> February meeting and that a draft Place & Prosperity Investment Framework was being drafted, with key points as follows:

- A Framework specifically for Place & Prosperity Investments to support economic recovery. Must cover PWLB borrowing costs, and where possible and remaining economically viable, a small risk premium, but not to generate a commercial yield.
- Sitting behind the Framework, a Fund agreed by Council to deliver the Framework – avoids each investment decision needing to go to Council. Size of fund yet to be considered.
- The Framework introduces how the fund will be utilised, types of investments, high level investment criteria, risks, process & governance arrangements. On the latter, the proposal is to still utilise in part the methodology in the existing Commercial Investment Framework but with some key additions - assessment against an agreed weighted scoring matrix – to ensure all opportunities are considered in a consistent and fair manner and enabling opportunities to be easily dismissed if they don't qualify, then on to Outline Business Case involving key Cabinet Members and now Ward Members, through to Detailed Business Case now to Cabinet or other Member forum which itself would include Ward Member comments. Whilst the objectives of the Framework are very different to the existing adopted Commercial Investment Framework, and of course the decision making arrangements are very different, the general approach whereby the Framework underpins how investments will be considered is not dissimilar.

The following 2 questions were put to the Forum and debated:

1. What outcomes do these investments need to deliver?
2. What is the priority of these outcomes and therefore the relative weighting?

Drafting has continued, to reflect feedback from this March meeting but other commitments have meant that progress has been slower than anticipated.

Next Steps are as follows:

- Meeting with Strategic Lead – Finance, Service Lead – Growth, Development & Prosperity and Service Lead – Place, Assets & Commercialisation arranged for August to finalise an early draft.
- Draft to be shared with Portfolio Holder for Economy & Assets in September then with SMT.
- Draft then to be considered by AMF before a recommendation is given to Cabinet. The availability of the funding itself will require a Council decision.

It is hoped that subject to Cabinet and Council approvals, to have an Investment Fund in place by the end of 2021.

**Is the proposed decision in accordance with:**

Budget Yes  No

Policy Framework Yes  No

**Recommendation:**

That the Forum:

Note the report and next steps.

**Reason for recommendation:**

To provide update only.

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Portfolio(s) (check which apply):

- Climate Action and Emergencies
- Coast, Country and Environment
- Council and Corporate Co-ordination
- Culture, Tourism, Leisure and Sport
- Democracy and Transparency
- Economy and Assets
- Finance
- Strategic Planning
- Sustainable Homes and Communities

**Equalities impact** Low Impact

**Climate change** Low Impact

**Risk:** Low Risk;

**Links to background information** n/a

**Link to [Council Plan](#):**

Priorities (check which apply)

- Outstanding Place and Environment
  - Outstanding Homes and Communities
  - Outstanding Economic Growth, Productivity, and Prosperity
  - Outstanding Council and Council Services
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### **Financial implications:**

The financial principle of the Framework is that any case for borrowing in order to be approved needs to be cost neutral or better for the Council. In order to borrow from the PWLB the prime objective of the scheme can not to make a return on the investment, this does not mean it cannot make a return just this cannot be the prime objective for the borrowing.

### **Legal implications:**

There are no specific legal issues raised in this report, Legal Services will advise as and when needed for future reports.