

Key Decision Details

Decision Name COMMERCIAL INVESTMENT STRATEGY: BUSINESS PLAN

Date of Decision 10 December 2015

Decision maker Cabinet

Approves the:

- i. Commercial Investment Strategy Business Plan attached as Appendix 2 of the Officer's Report;
- ii. transfer of £6.8m from the Council's General Fund balance to the Capital Investment Earmarked Reserve;
- iii. potential to borrow up to £35m from 2016/17 onwards to support the Commercial Investment Strategy. However, there will be 'head-room' to borrow a further £25m if commercial opportunities arise; and
- iv. That the Cabinet notes the Minimum Revenue Provisions Policy.

Describe the Decision taken The Cabinet further instructs Officers as follows:

- that the revenue investment of £2.5m, detailed in the Investment Schedule (attached as Appendix 3 of the Officer's Report) for Quarter 3 of 2015/16 Financial Year, be invested without delay;
- that the capital investment of £5m in respect of capital property shares and/or Real Estate Investment Trusts (REITS), subject to relevant due diligence, be invested without delay;
- that an Action Plan be developed to ensure that the capital investments of £5m in respect of Direct Assets (Local Area) are acquired by the end of Quarter 4, 2015/16;

- that Table 1, as contained within the Officer's Report titled 'Estimated Revenue Returns from the Commercial Investment Strategy', be included in the Medium Term Financial Strategy; and
- that, without delay, to complete a review of the Estates Service to enable the requirements of the Commercial Investment Strategy to be achieved.

RECOMMENDS

that Council approves the Minimum Revenue Provisions Policy for the Commercial Investment Strategy as detailed below:

'For each capital investment undertaken under the requirements of the Council's Commercial Investment Strategy, Minimum Revenue Provision will be made that is equal to the principal repayment for any loan finance supporting the investment'.

What were the reasons for taking the Decision? To enable the Council to commence the acquisition of commercial assets and in turn generate revenue funding to assist the Council in delivering cost effective services.

What alternative options were considered and rejected? None considered.

Conflict of interest and dispensation None

Is the decision a Key Decision? Yes

Was the decision included in the Forward Plan Yes

Was the decision subject to the urgency proceedings? No

List the background papers to any report considered by the Decision Taker None

Person Making this report

Mrs Melanie Sage

Date upon which the Decision will come into force, subject to no call-in

23 December 2015

Accompanying Documents

CIS Business Plan CIS Business Plan - App2 CIS Business Plan - Annex 1 CIS Business Plan - Annex 2 CIS Business Plan - App3 CIS Business Plan - App4 CIS Business Plan - App5 Agenda Item No 10 - OS Comments