

AGENDA ITEM NO.10 – COMMERCIAL INVESTMENT STRATEGY BUSINESS PLAN

CABINET – 10th December 2015

COMMENTS FROM OVERVIEW AND SCRUTINY PANEL (ECONOMIC WELL-BEING) – 8th December 2015

The Overview & Scrutiny Panel (Economic Well-Being) has reviewed the CIS Business Plan. Members have discussed the principles on which the Plan is based. They have accepted that in order to achieve the clear aim of providing a revenue stream for the Council, the approach should be to invest in commercial property. This will enable the Council to benefit from trends in the national economy and to promote the local economy. Attention has been drawn to the need to have the necessary Officer resources in place to monitor the local market and identify opportunities. Members have stressed the need for close monitoring of the performance of investments.

The Panel has recommended the Cabinet to approve the:

- CIS Business Plan (Appendix 2);
- Transfer of £6.8m from the Councils General Fund balance to the Capital Investment Earmarked Reserve;
- Potential to borrow up to £35.0m from 2016/17 onwards to support the CIS. However, there will still be “head-room” to borrow a further £25.0m if commercial opportunities arise.
- MRP policy below and recommend the Council to approve it:

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