



Minutes of the Investment Committee

7 December 2016

-: Present :-

Councillor Tyerman

Councillors Pentney, Darling (S), O'Dwyer, Robson, Thomas (D) and Tyerman

(Also in attendance: Councillors Stocks and Morey)

9. Minutes

The Minutes of the meeting of the Investment Committee held on 17 November 2016 were confirmed as a correct record and signed by the Chairman.

10. Torbay Development Agency Support to Investment Committee

The Committee considered the submitted report which provided details on how the Council could fund the cost of the Torbay Development Agency (TDA) providing initial support to the Investment Committee, including marketing the investment fund and providing officer support to develop business cases for suitable investment opportunities.

Resolved:

That £20,000 of the Invest for Income Reserve be used to support the initial work of the Torbay Development Agency (TDA) to undertake the work identified in paragraphs 4.2.1 – 4.2.3 of the submitted report.

11. Exclusion of Press and Public

Prior to consideration of the item in Minute 12 the press and public were formally excluded from the meeting on the grounds that the item involved the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 (as amended.)

12. Investment Opportunities

The Committee considered the submitted report updating members on the establishment of a panel of independent external advisors to inform the Investment Committee and a process on taking investment opportunities forward, to make best use of resources. It was proposed that draft business cases would be presented to the Investment Committee for an initial consideration in principle and before the Council engaged with external advisors on the proposal. This would then be brought back to the Committee for approval or recommendation to

Council, with an exception process for urgent decisions where the Chairman would determine if external advice is sought prior to the Committee meeting.

The Committee considered the submitted business case in respect of a retail investment opportunity within Torbay as outlined in Appendices 1 and 2 to the submitted exempt report. Members had regard to the risks and opportunities identified in the report and the updates provided by the Head of Asset Management and Housing (Torbay Development Agency) and the Senior Development Surveyor (Torbay Development Agency). Members also considered the proposal in light of the Council's approved Investment Fund Strategy, which set a target investment in retail at lot sizes of between £1m and £5m, with an income yield of between 6.5% and 10.0% and only 25% of the Investment Fund being spent on investment in yield.

Members discussed the submitted outline business case in respect of a second retail investment opportunity within the South West of England as outlined in Appendices 3 and 4 to the submitted exempt report. It was noted that further information was required before officers could be satisfied as to the suitability of this investment and its associated risks.

Resolved:

- (i) that the Assistant Director of Corporate and Business Services, in consultation with the Chairman of the Investment Committee, evaluate the quotes for the independent external advisors and determine which ones will form the panel to be drawn upon to provide advice to the Investment Committee as and when required;
- (ii) that the proposed mechanism for considering investment opportunities set out in paragraph 1.3. of the submitted report be approved, subject to removal of 'makes recommendations on the case' and this being replaced with 'provides critical analysis and observations';
- (iii) that the Council be recommended to authorise the Chief Executive to bid on the proposed local investment set out in Appendices 1 and 2 to the submitted exempt report up to a maximum as agreed at the meeting (and set out in the exempt report to Council meeting) subject to due diligence and independent external advice. Council make this decision on the basis that it is outside the approved Investment Fund Strategy, but would enable the Council to achieve additional ongoing annual revenue of between £789,170 and £547,312 from 2017 for the next ten years and should be taken in the context of the existing business park investments in Claylands and Torbay Business Park in Paignton (unanimous);
- (iv) that, as a result of the external training received by the Investment Committee on 5 December 2016, the Investment Fund Strategy and amount of the Investment Fund is reviewed to ensure that there is the greatest opportunity to maximise income, diversify investments and spread risks and the revised Strategy and Fund be recommended to Council in due course (unanimous); and

- (v) that the Head of Asset Management and Housing (Torbay Development Agency) be requested to look into the retail proposal for the South West of England in more detail and the Chairman of the Investment Committee be authorised to decide if independent external advice should be sought prior to bringing it back to the Investment Committee.

Chairman