



Wednesday, 1 March 2017

INVESTMENT COMMITTEE

A meeting of **Investment Committee** will be held on

Tuesday, 7 March 2017

commencing at **5.00 pm**

The meeting will be held in the Meadfoot Room, Town Hall, Castle Circus,
Torquay, TQ1 3DR

Members of the Committee

Councillor Tyerman (Chairman)

Councillor Darling (S)

Councillor O'Dwyer

Councillor Pentney

Councillor Robson

Councillor Thomas (D)

A prosperous and healthy Torbay

For information relating to this meeting or to request a copy in another format or language please contact:

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INVESTMENT COMMITTEE AGENDA

1. **Apologies**
To receive any apologies for absence including any changes to the membership of the Committee.
2. **Minutes** (Pages 3 - 5)
To confirm as a correct record the Minutes of the meeting of this Committee held on 6 February 2017.
3. **Declarations of interest**
 - (a) To receive declarations of non pecuniary interests in respect of items on this agenda
For reference: Having declared their non pecuniary interest members may remain in the meeting and speak and, vote on the matter in question. A completed disclosure of interests form should be returned to the Clerk before the conclusion of the meeting.
 - (b) To receive declarations of disclosable pecuniary interests in respect of items on this agenda
For reference: Where a Member has a disclosable pecuniary interest he/she must leave the meeting during consideration of the item. However, the Member may remain in the meeting to make representations, answer questions or give evidence if the public have a right to do so, but having done so the Member must then immediately leave the meeting, may not vote and must not improperly seek to influence the outcome of the matter. A completed disclosure of interests form should be returned to the Clerk before the conclusion of the meeting.

(**Please Note:** If Members and Officers wish to seek advice on any potential interests they may have, they should contact Governance Support or Legal Services prior to the meeting.)
4. **Urgent Items**
To consider any items that the Chairman decides are urgent.
5. **Exclusion of Press and Public**
To consider passing a resolution to exclude the press and public from the meeting prior to consideration of the following item on the agenda on the grounds that exempt information (as defined in Paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended) is likely to be disclosed.
6. **Investment Opportunity** (To Follow)
To consider the submitted report on an investment opportunity.



Minutes of the Investment Committee

6 February 2017

-: Present :-

Councillor Tyerman (Chairman)

Councillors Darling (S), Thomas (D), Doggett (In place of Pentney), Lewis (In place of Robson) and Bye (In place of O'Dwyer)

(Also in attendance: Councillors Brooks)

17. Apologies

It was reported that, in accordance with the wishes of the Conservative Group and Liberal Democrat Group, the membership of the Committee had been amended for this meeting by including Councillors Bye, Lewis and Doggett instead of Councillors O'Dwyer, Robson and Pentney respectively.

18. Minutes

The Minutes of the meeting of the Investment Committee held on 12 January 2017 were confirmed as a correct record and signed by the Chairman.

19. Review of Torbay Council Investment Strategy

The Committee considered the submitted report on a review of the Council's Investment Fund Strategy, including consideration of the level of Investment Fund together with the Terms of Reference for the Investment Committee in light of lessons learned from a recent retail investment and training received.

Resolved:

(i) that, subject to the following amendments and the Assistant Director Corporate and Business Services being given delegated authority to make any minor amendments in consultation with the Chairman of the Investment Committee, the Council be recommended to approve the revised Torbay Council Investment Strategy set out in Appendix 1 to the submitted report:

- P2, 1.2 Objective – amend to read 'a significant income return over the medium term of at least 2% above capital costs on capital invested, through a balanced strategy of acquisition, retention and management or good quality property investments, with that income being used to support wider Council services.'
- P3, to keep the fund at £50m until more of this has been allocated.

- P3, 1.4 Strategy - Subject to Group Leaders consulting with their Groups to consider increasing the level of investment to be determined by the Investment Committee to £10m.
 - P4 Minimum yield required before costs - change investment held for asset life - minimum to 2% above estimated borrowing costs (interest and MRP or if capital loan prevailing borrowing rates + 2%) and investments/assets held for defined period – minimum to 2% above estimated borrowing costs – interest only or if capital loan prevailing borrowing rates).
 - P5, 1.6 – amend second sentence to read ‘Currently offices can provide...’
 - P6, 1.8 Target assets – replace with the following:
‘Commercial assets will be sought with lot sizes of £500,000 plus with income yields of 2% or more above borrowing costs. However consideration will always need to be given to the number of smaller investments and the burden of administering each investment before a decision is taken. Delete 1, 2 and 3 and keep 4, 5 and 6, subject to the deletion of the final sentence in 5 (Again, similar characteristics as set out above....).
 - P10, 1.10 Financial Assumptions - *Normally for each investment an annual payment of 0.5% of the purchase price or loan or investment, subject to case by case evaluation by the Chief Finance Office, will be held in a central fund.....; and
- (ii) that the Council be recommended to approve the revised Terms of Reference of the Investment Committee set out in Appendix 2 to the submitted report.

20. Exclusion of Press and Public

Prior to consideration of the item in Minute 21 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).)

21. Investment Opportunities

Members received an update on a proposed investment in a development opportunity in Torquay as set out in the submitted exempt Report. Alan Denby, Torbay Development Agency, provided a verbal update in respect of the proposal and responded to questions.

Liam Montgomery, Torbay Development Agency, highlighted the submitted updated exempt report (circulated on 6 February 2017) which provided an update on the due diligence being carried out in respect of the purchase of a local retail park.

Resolved:

That the Assistant Director of Corporate and Business Services be requested to progress to the next stage of due diligence in respect of the development opportunity in Torquay.

Chairman