

PROPERTY GROWTH FUND SUB-COMMITTEE

MINUTES OF MEETING Tuesday 9th February 2021

PRESENT: Councillor Brett (Chair) Councillors Daalat Ali and Rowbotham

OFFICERS: Steve Rumbelow (Chief Executive), John Searle (Director of Economy), Neil Thornton (Director of Resources), Donna Bowler (Assistant Director – Neighbourhoods), Beverley Hirst and Levi Rickell (Economy Directorate), Michelle Ashworth and Alison James (Resources Directorate)

ALSO IN ATTENDANCE: Councillor Wardle and Councillor Dearnley

35 DECLARATIONS OF INTEREST

There were no declarations of interest.

36 URGENT ITEMS OF BUSINESS

There were no urgent items of business.

37 MINUTES

Resolved:

1. That the minutes of the meeting held on 7th July 2020 be approved as a correct record.

38 UPDATE ON PWLB LENDING TERMS

The Sub-Committee considered the report of the Chief Finance Officer which provided an update on the outcome of the Public Works Loan Board (PWLB) Lending Terms Consultation announced in November 2020, and the implications for the Property Growth Fund going forwards.

The revised PWLB lending terms implemented in November 2020 restrict access to prudential borrowing for local authorities who have 'debt for yield' schemes in their capital programme.

Cabinet had been asked to approve an amendment to the current capital programme narrative to reinforce regeneration as the primary aim of the Property Growth Fund, with financial return as a secondary consideration. This will ensure that the Council can continue to access PWLB borrowing to support the current and future year's capital programmes. These changes will also be reflected through the future year's capital programmes and Capital Investment and Disposal Strategy to be approved at Budget Council on 3rd March 2021.

Resolved:

1. That the change to PWLB lending terms, the proposed changes to the Capital Programme and Capital Investment and Disposal Strategy, and the resultant effect on future property investments be noted.

39 EXCLUSION OF PRESS AND PUBLIC

Resolved:

1. That the Press and Public be excluded from the meeting during consideration of the following items of business, in accordance with the provisions of Section 100A (4) of the Local Government Act 1972, as amended.

40 ASSET DEVELOPMENT FUND - RONALD GORTON CENTRE

The Sub-Committee considered a report of the Director of Economy which outlines a request for the release of additional monies from the Asset Development Fund to facilitate the disposal of the Ronald Gorton Centre.

Alternatives considered:

The alternative would be for the additional costs to be netted from the capital receipt which would reduce the capital receipt.

Resolved:

1. That an additional allocation from the Asset Development Fund be approved to cover the full costs of the project as outlined in the submitted report.

Reason for the decision:

To facilitate the disposal of the Ronald Gorton Centre and to ensure the capital receipt is maximised.

41 DURHAM BUSINESS PARK, LINCOLN CLOSE

The Sub-Committee considered the report of the Director of Economy which provided an update on the development of Land at Oldham Road/Durham Street, Rochdale.

Alternatives considered:

The Sub-Committee could decide not to approve the recommendations in which case it will not achieve the regeneration and financial objectives of the corporate vision via this project.

Resolved:

1. That the Sub-Committee reaffirms its approval of the proposal to invest from of the Asset Development Fund and the Property Growth Fund to deliver the full scheme at Durham Business Park, Lincoln Close, Rochdale as detailed within the submitted report;
2. That the Assistant Director, Legal Governance & Workforce be authorised to deal with the legal formalities on behalf of the Council to secure the delivery of the approved scheme.
3. That the decision around opting to tax the land and buildings comprising the site for VAT purposes be delegated to the Chief Finance Officer.

Reasons for the decision:

The scheme will provide high quality employment space, complementing the surrounding uses and industrial property. Enabling businesses to develop and jobs to be created.

42 LOGIC, KINGSWAY BUSINESS PARK - UPDATE

The Sub-Committee considered the report of the Director of Economy which provided an update on the completion and successful letting of Logic, Kingsway Business Park.

Resolved:

1. That the report be noted.

43 PROPERTY INVESTMENTS - PERFORMANCE AND RISK - 2020/21

The Sub-Committee considered the report of the Chief Finance Officer which provided an update on the performance of the Council's property investments, and highlight the associated risks.

The report indicated that at this point the Property Growth Fund investments are achieving / exceeding the performance targets that were established for this activity; that a review is being undertaken with respect to the application of savings targets to the Fund; and that risks are identified and are being appropriately managed.

Resolved:

1. That the report be noted.