

PROPERTY GROWTH FUND SUB-COMMITTEE

MINUTES OF MEETING

Tuesday, 7th July 2020

PRESENT: Councillor Brett (in the Chair); Councillors Rowbotham and Wardle (substituting for Councillor Daalat Ali).

OFFICERS: N. Thornton (Director of Resources), J. Searle (Director of Economy), L. Rickell (Economy Directorate), M. Ashworth and P. Thompson (Resources Directorate)

ALSO IN ATTENDANCE: Councillor Dearnley and D. Cooke (Rochdale Development Agency).

30 APOLOGIES

Apologies for absence were received from Councillor Daalat Ali.

31 DECLARATIONS OF INTEREST

There were no declarations of interests.

32 EXCLUSION OF PRESS AND PUBLIC

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

33 PLOT G, KINGSWAY BUSINESS PARK – FEASIBILITY & DESIGN

The Sub-Committee considered a report of the Director of Economy, the purpose of which was to seek approval for the use of £50,000 of the Asset Development Fund to carry out feasibility studies and detailed design to achieve planning permission for a scheme at Plot G, Kingsway Business Park, Rochdale.

Alternatives considered:

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

Resolved:

1. The Property Growth Fund Sub-Committee approves the proposal, detailed in the submitted report, to invest up to £50,000 of the Asset Development Fund to carry out feasibility studies and detailed design to achieve planning permission of a scheme at Plot G, Kingsway Business Park. The £50,000 will be matched equally by Wilson Bowden to total £100,000.
2. The Assistant Director, Legal Governance & Workforce be authorised to advise appropriate Council services, to prepare and execute appropriate legal documentation to secure the delivery of the approved feasibility projects.

Reasons for decision:

The feasibility studies were required to understand the viability of a potential scheme before it could proceed.

Eligible for Call-in: Yes

34 PROPERTY INVESTMENTS - PERFORMANCE AND RISK QUARTER 4:2019/2020

The Sub-Committee considered a report of the Director of Resources that informed Members of the performance of the Council's commercial property investments in financial year 2019/20, and highlight the associated risks.

The report also demonstrated that the Commercial Investment Fund/Asset Development Fund investments had achieved the appropriate performance targets that had been established for this activity.

The report presented the balances remaining within the respective Property Growth Funds and recommends that the Commercial Investment Fund and Direct Development Fund be amalgamated at the earliest opportunity in the 2020/2021 financial year.

Alternatives considered:

The Sub-Committee could decide not to amalgamate the Commercial Investment Fund and Direct Development Fund and instead to preserve the separate aims and objectives associated with each Fund, as set out in paragraphs 4.2 and 4.3 of the submitted report.

Resolved:

1. That the report be noted, including the assessment of risk with regard to the property portfolio, as detailed at paragraph 6 and Appendix 2 of the submitted report.
2. The Sub-Committee approves the amalgamation of the Commercial Investment Fund and Direct Development Fund, with immediate effect.

Reasons for the decision:

The amalgamation of the Commercial Investment Fund and Direct Development Fund would provide the Council with more flexibility in making Property Growth Fund investment decisions, would allow access to a wider range of opportunities, and would simplify future financial reporting.

Eligible for call-in: No