

CORPORATE OVERVIEW AND SCRUTINY COMMITTEE

Notes of an Informal meeting of Committee Members Monday, 12th July 2021

PRESENT: Councillor Holly (in the Chair); Councillors Ali Ahmed, Anstee, Brett, Joinson, Nolan, O'Neill, Rana and Donna Williams.

OFFICERS: N. Thornton (Director of Resources), J. Searle (Director of Economy), J. Murphy (Chief Finance Officer), S. Smith (Deputy Chief Finance Officer), M. Ashworth (Head of Commercial, Economy and Resources Finance) and P. Thompson (Resources Directorate)

ALSO IN ATTENDANCE: Councillor Wardle (Cabinet Member for Finance and Corporate)

1 APOLOGIES

Apologies for absence were received from Councillors Robinson and Wraighte.

2 PROPERTY INVESTMENT RISK

Further to minute 75 of the meeting of Corporate Overview and Scrutiny Committee, held 25th March 2021, the Committee received a confidential report which detailed the risks associated with property investments made and proposed to be made by and on behalf of the Council. The report was subsequently intended to be submitted to the Cabinet for approval. Therefore the Committee was asked to comment on both its content and recommendations prior to consideration by Cabinet.

The meeting was informed that the Council held a number of property and non-treasury investments including those derived from its property investment strategy, as set out in the Capital Investment and Disposal Strategy approved at the Budget Council meeting in March 2021. The key areas in terms of current investment were:-

- Property Growth Fund
- Asset Development Fund
- Historic Commercial & Industrial Estate
- Manchester Airport Investment
- Rochdale Riverside Retail and Leisure scheme

The Council also has a number of schemes under development. The Council needs to establish its risk appetite for debt exposure; this can be established by using the value of debt charges in ratio to the available resources for Council Services and/or establishing an upper limit on its underlying borrowing requirement.

The Chief Finance Officer reported that since March 2017 the Council has been implementing a property investment strategy, primarily designed to contribute to the Council's overall regeneration aims for the borough whilst

achieving rental income to cover the costs associated with holding a property portfolio. The funds established to implement this strategy were the Property Growth Fund and the Asset Development Fund. The investment activity was governed by the Capital Investment and Disposal Strategy, and budgeted for within the Capital Programme, both of which were approved at the Budget Council meeting in March 2021.

In considering the report Members were advised that decisions concerning investment in property undertaken by the Council should be made with full knowledge of the potential risks and rewards inherent in the activity.

Resolved:

That the report be commended by Members of the Corporate Overview and Scrutiny Committee and the Cabinet be requested to approve the recommendations contained therein.