

AGENDA

Page No

1. MINUTES

To confirm the decisions of the meeting held on 4 September 2018 (CA.18 - CA.29), previously circulated.

2. APOLOGIES FOR ABSENCE

Resources Management

3. COMMERCIAL OPPORTUNITIES

1 - 4

This report seeks approval to giving the Chief Executive delegated authority to make investment decisions in consultation with the Leader. Some commercial opportunities are only available for a time limited period. Currently, the Council can only make offers to purchase or to invest in assets and ventures subject to Council approval. This may result in the Council being considered less favourably compared to a potential competitor that can complete an acquisition or investment more quickly. This report seeks to give the Chief Executive the authority in consultation with the Leader to approve investments up to £5,000,000 subject to several safeguards.

In accepting the recommendations, Cabinet will approve and recommend to Council that delegated authority is given to the Chief Executive to make investment decisions in consultation with the Leader up to a value of £5,000,000 subject to the checks and balances contained in the report and the Director of Law and Governance will be authorised to make the necessary amendments to the Council's Constitution.

Relevant Ward(s): All Wards

4. EXCLUSION OF THE PUBLIC AND PRESS

To consider passing a resolution under Section 100A(4) of the Local Government Act 1972 excluding the press and public from the meeting during consideration of item 5 on the grounds that it involves the likely disclosure of exempt information as defined in paragraphs 3 and 4 of Part 1 of Schedule 12A to the Act.

5. REVIEW OF THE VAT PARTIAL EXEMPTION POSITION AND THE IMPLICATIONS OF COUNCIL SERVICES

5 - 10

This report provides an update on the Value Added Tax (VAT) Partial Exemption position and the implication on Council Services.

Relevant Ward(s): All Wards

HAMBLETON DISTRICT COUNCIL

Report To: Cabinet
9 October 2018

Subject: **COMMERCIAL OPPORTUNITIES**

All Wards
Portfolio Holder for Economic Development and Finance: Councillor P R Wilkinson

1.0 PURPOSE AND BACKGROUND:

1.1 The purpose of this report is to give the Chief Executive delegated authority to make investment decisions in consultation with the Leader. Some commercial opportunities are only available for a time limited period. Currently, the Council can only make offers to purchase or to invest in assets and ventures subject to Cabinet approval. This may result in the Council being considered less favourably compared to a potential competitor that can complete an acquisition or investment more quickly. This report seeks to give the Chief Executive the authority in consultation with the Leader to approve investments up to £5,000,000 subject to several safeguards.

2.0 PROPOSAL

2.1 It is proposed that Council delegates authority to the Chief Executive to authorise investment up to £5,000,000 in consultation with the Leader.

2.2 To achieve appropriate checks and balances it is proposed to establish an Investment Board to support the Chief Executive, consisting of the Chief Executive, the Deputy Chief Executive, the Director of Finance (S.151 Officer) and the Director of Legal and Governance (Monitoring Officer). The Investment Board would meet as and when a commercial opportunity arises that requires a timely decision. The Board will receive a report on the commercial opportunity which will set out the proposal and the associated risks as well as the financial and legal implications. The business case for the commercial opportunity would need to be signed off by the S.151 Officer and the Monitoring Officer.

2.3 The Investment Board will take into consideration the Financial Strategy as well as the emerging Capital Investment Strategy. The Capital Investment Strategy will contain thresholds and Key Performance Indicators that will provide the framework for any investment decision. The report on the commercial opportunity which sets out the proposal will also address the risk profile for the Council.

2.4 In summary, checks and balances are achieved as each delegated decision is subject to a business case signed off by the S.151 Officer and the Monitoring Officer, such decisions are subject to being in line with the emerging Capital Investment Strategy approved annually by the Council and the consultation of the Investment Board.

2.5 Any investments authorised and carried out under an amended Scheme of Officer Delegation will be reported to the next Cabinet meeting.

3.0 LINK TO COUNCIL PRIORITIES:

3.1 The Council Plan 2015-19 identifies as part of its foundations the need to generate additional income to ensure on-going affordability of Council services. All commercial opportunities will be considered with respect to the priorities in the Council Plan.

3.2 The vision of the Council's Commercial Strategy is to "become Self-sufficient in 2020/21". This requires a commercial approach. The proposal contained in this report reflects such a commercial approach.

4.0 RISK ASSESSMENT:

4.1 **The key risk in approving the recommendation is set out below**

Risk	Implication	Prob*	Imp*	Total	Preventative action
Risk profile of new investments could be higher which may make income/return more volatile. The income to the Council could be significantly reduced if such revenue would fall away.	Alternative source of income would need to be identified and/or services reduced if overall income from the investment reduces significantly or falls away.	3	4	12	The safeguards as set out in this report provide reassurance with regard to the risk profile

4.2 **The key risk in not approving the recommendation is shown below:-**

Risk	Implication	Prob*	Imp*	Total	Preventative action
Commercial opportunities are not being taken advantage of	The Council misses the opportunity for additional revenue to support services and may have to pursue less favourable opportunities	4	4	16	Assess all commercial opportunities in line with the Commercial and Capital Investment Strategy

The check and balances as set out in the report are considered sufficient in ensuring investment decisions are made in a prudent and informed manner.

5.0 FINANCIAL IMPLICATIONS:

5.1 The financial implications are included in the body of the report.

6.0 LEGAL IMPLICATIONS:

6.1 Section 101 of the Local Government Act 1972 (as amended) allows District Councils to arrange for the discharge of relevant functions by a committee, sub-committee, or an officer of the authority.

6.0 EQUALITY/DIVERSITY ISSUES

6.1 Equality and Diversity Issues have been considered however there are no issues associated with this report.

7.0 RECOMMENDATION(S):

7.1 That Cabinet approves and recommends to Council that:

- (1) authority is delegated to the Chief Executive to make investment decisions in consultation with the Leader of the Council up to a value of £5,000,000 subject to the checks and balances contained in this report; and

- (2) the Director of Legal and Governance is authorised to make the necessary amendments to the Council's Constitution to accommodate the recommendation under (1).

MICK JEWITT
DEPUTY CHIEF EXECUTIVE

Background papers: None

Author ref: HH

Contact: Hannah Heinemann
Head of Service – Commercialisation and Programme Management
01609 767144

This page is intentionally left blank

By virtue of paragraph(s) 3, 4 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank