

Minutes of the meeting of the **COMMERCIAL INVESTMENT PROJECT ADVISORY GROUP** held at the Council Offices, Whitfield on Monday, 13 February 2017 at 12.30 pm.

This meeting was held simultaneously with the meeting of the Residential Investment Project Advisory Group.

Present:

Chairman: Councillor M D Conolly

Councillors: T J Bartlett
M R Eddy
P Walker
P A Watkins

Officers: Chief Executive
Director of Environment and Corporate Assets
Director of Finance, Housing and Community
Solicitor to the Council
Head of Corporate Services
Head of Finance
Head of Inward Investment
Head of Strategic Housing
Democratic Support Officer

1 APOLOGIES

It was noted that there were no apologies for absence.

2 APPOINTMENT OF SUBSTITUTE MEMBERS

It was noted that there were no substitute members.

3 DECLARATIONS OF INTEREST

It was noted that there were no declarations of interest.

4 DRAFT TERMS OF REFERENCE

Members considered the draft Terms of Reference. In response to Councillor M R Eddy, who suggested that the geographical area of investment could be defined, the Solicitor to the Council cautioned against introducing an element of constraint which was not present in the Council's adopted Investment Strategy or applicable to the Portfolio Holder for Corporate Resources and Performance's decision-making.

It was agreed that the draft Terms of Reference be noted.

5 EXCLUSION OF THE PRESS AND PUBLIC

The provisions of Part VI of the Local Government Act 1972, the Openness of Local Government Bodies Regulations 2014 and the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 do not apply to meetings of this Advisory Group so as to require them to be open to the public. Notwithstanding the above, the Council will, whenever possible, conduct

meetings of the Advisory Group in public in furtherance of its commitment to openness and transparency. However, there may be occasions on which the nature of the business to be transacted requires members of the public to be excluded from the meetings or parts of them.

On this occasion, the public was excluded from the meeting for the following items of business: Confidentiality, Property Investment Strategy and Project Progress.

6 CONFIDENTIALITY

In response to Councillor P A Watkins, the Chief Executive confirmed that future meetings of the two groups would be conducted as separate meetings.

The Director of Finance, Housing and Community clarified that meetings of the advisory groups were not required to be held in public as they were not subject to the provisions of Part VI of the Local Government Act 1972, the Openness of Local Government Bodies Regulations 2014 or the Local Authorities (Executive Arrangement) (Meetings and Access to Information) (England) Regulations 2012.

Members received a presentation on issues surrounding confidentiality. Given the sensitivity of purchase negotiations, Members were requested to treat reports and discussions as commercial in confidence whilst purchase negotiations were ongoing. It was agreed that requests for information from other Members would go through the Leader of the Council or the Leader of the Majority Opposition Group.

The Chief Executive advised that there would be a need for Officers, acting with the appropriate authority, to move quickly on purchases. The establishment of informal working groups, involving Members and Officers, would facilitate this. The Scrutiny (Policy and Performance) Committee would be involved once purchases had been finalised.

It was agreed that the presentation be noted.

7 PROPERTY INVESTMENT STRATEGY

The Director of Finance, Housing and Community referred Members to the Property Investment Strategy which had been adopted by Council at its meeting held on 30 November 2016 and was set out in the report. Annexes 1 and 2 of the report were particularly relevant. Members also received a presentation setting out the aims and objectives of the Council's property investment strategy.

Councillor Eddy agreed that investment outside the district and east Kent could be justified by a high rental income. In response to Councillor Watkins, the Solicitor to the Council confirmed that the Public Works and Loans Board did not require security against loans.

It was agreed that the report and presentation be noted.

8 PROJECT PROGRESS

The Head of Corporate Services advised that Officers had visited other local authorities (Ashford and Spelthorne) and had met property/investment advisers and developers in order to understand how other authorities were investing in commercial and residential properties. As a result of this research, Officers had decided to use several agents rather than appointing a sole agent. For the time

being it was not proposed to increase resources for this work, but it was an unknown area and the issue of resources might need to be revisited at a later stage. The Solicitor to the Council clarified that it would be necessary for the Council to set up a company in order to invest in residential properties. However, there was no such requirement for investment in commercial properties.

The Chief Executive confirmed that responsibility for purchasing and managing investments rested with the Director of Finance, Housing and Community, supported by the Heads of Finance, Corporate Services and Strategic Housing. Property Services would be responsible for the care and maintenance of properties. He recognised that additional expertise might need to be drafted in to help with managing the Council's property portfolio. Further decisions concerning the portfolio, for example relating to rates of return, would rest with the advisory groups.

The Director of Environment and Corporate Assets advised that the Council's existing property assets were being re-categorised in recognition of the fact that some were already held for investment purposes. For example, the Council owned 905 garages, many of which were no longer linked to the provision of social housing. These assets would be reviewed in order to assess whether some could be demolished and the sites used for development.

It was agreed that the update be noted.

The meeting ended at 2.04 pm.