

REVOLVING INVESTMENT FUND COMMITTEE

16 January 2019

Present:- Councillor King (Chairman) Barlow, Cory, T. Young

85. Minutes

RESOLVED that the minutes of the meeting held on 20 December 2018 be confirmed as a correct record.

86. Revolving Investment Fund – Financial Update

The Assistant Director, Policy and Corporate, submitted a report a copy of which had been circulated to each Member. Sean Plummer, Strategic Finance Manager, attended to present the report and assist the Committee.

The report set out the current position on the Revolving Investment Fund (RIF), the projected forecasts, an update on the current projects funded through the RIF, some proposed allocations for new schemes and reallocations with the Fund to ensure that overall it remained balanced. The RIF had been established to recycle capital receipts into high income producing development schemes and also to fund regeneration and economic growth projects.

The revenue income into the RIF was currently estimated as £618,000 per annum and was forecast to continue to grow significantly. A small overspend of £68k was forecast on the overall programme, and this had been reported to the Scrutiny Panel. This needed to be seen in the context of an overall expenditure forecast of £37 million. The funding streams into the RIF were variable and it was important to manage the income into and expenditure out of the RIF in order that it remained balanced over the medium term. The specific contributions into the RIF were set out in the report. Whilst most of the funding came from capital receipts or external funding, the Council had also agreed a modest amount of long term borrowing.

Over the projected life of the RIF there was a gap of around £840,000 between income and expenditure. In addition there are short to medium term cashflow deficits which would be covered through temporary borrowing. Whilst it was acknowledged that there were some risks around short term borrowing, this type of borrowing was not uncommon. The RIF was actively managed to ensure that the amount of short term borrowing was kept to a minimum.

It was stressed that the RIF delivered very real benefits in terms of stimulating economic growth and jobs. The Amphora Phase 1 scheme, which had secured the retention of a significant local employer at the same time as delivering an income stream for the Council, was an example of this.

In discussion members stressed the value of the RIF. It was a mature programme that had proved its value. It stimulated regeneration and jobs and it was an example that was beginning to be followed by other authorities. The level of funding directed into the RIF demonstrated the Council's commitment to securing investment and stimulating the local economy. The RIF played an important role in securing and preparing sites that would then secure significant external investment.

The Committee indicated that it supported the allocation of £1.275 million of funds to balance the RIF forecast and proposed new funding allocations, as set out in Appendix D, and that authority be delegated to the Portfolio Holder for Resources to agree individual allocations from the £250K for feasibility studies or other predevelopment work.

RESOLVED that:-

- (a) The latest financial position for the Revolving Investment Fund (RIF) be noted.
- (b) The reallocation of £1.275m of funds to balance the RIF forecast and proposed new funding allocations detailed in Appendix D of the Assistant Director's report be agreed..
- (c) Authority to agree the individual allocations from the £250k proposed for feasibility studies or other pre-development work up to £50k be delegated to the Portfolio Holder for Resources.

REASONS

Cabinet agreed to create the RIF as a way to recycle capital receipts into profitable high income producing development schemes and regeneration / economic growth projects. The Assistant Director's report sets out the updated financial position of the RIF and proposes allocations of funding to specific projects.

ALTERNATIVE OPTIONS

It would be possible to consider different allocations to projects. However, the proposals in this report represent a considered view of the cost to deliver a number of projects and income budget targets. Further funding allocations are required to carry out feasibility studies if new income streams for the Council are to be generated in the future.

The Committee resolved under Section 100A(4) of the Local Government Act 1972 and in accordance with the Local Authorities (Executive Arrangements)(Meetings and Access to Information)(England) Regulations 2012 to exclude the public from

the meeting for the following item as they involved the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972.

87. Minutes

RESOLVED that the not for publication extract from the minutes of the meeting held on 17 20 December 2018 be confirmed as a correct record.

The Committee resolved under Section 100A(4) of the Local Government Act 1972 and in accordance with the Local Authorities (Executive Arrangements)(Meetings and Access to Information)(England) Regulations 2012 to exclude the public from the meeting for the following item as they involved the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972.

88. Revolving Investment Fund – Financial Update

This minute is not for publication by virtue of paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 (information relating to the financial or business affairs of a particular person, including the authority holding the information).