

Report to: **Council**

Date: **31 March 2022**

Title: **Regeneration and Investment Strategy**

Portfolio Area: **Councillor Judy Pearce – Leader of the Council**

Wards Affected: **All**

Urgent Decision: **N** Approval and clearance obtained: **Y**

Date next steps can be taken: Immediately following this meeting.

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**RECOMMENDATION:**

**That Council APPROVE an update to the Commercial Investment Strategy, in the form of the newly titled Regeneration and Investment Strategy contained in Appendix A.**

**1. Executive summary**

- 1.1. The Council approved a commercial investment strategy in September 2018 (30/18), with a financial threshold of £60m. It was amended in July 2019 by full Council (26/19) to ensure it remained aligned to the public sector investment regulations.
- 1.2. Changes to the PWLB borrowing rules require that the strategy is further updated. Borrowing outside of area is no longer an acceptable approach for Council investment.
- 1.3. At the same time the strategy name has been amended, to better reflect the regeneration intent, and to support the aspirations of Better Lives for All, the corporate strategy.
- 1.4. The document in Appendix A – Regeneration and Investment Strategy – is an essential part of the Council’s toolkit to deliver on its economic, regeneration and housing aspirations.

- 1.5. The Executive considered the Regeneration and Investment Strategy on 3 March 2022. Minute E.91/21 refers. It was recommended:

That Council be **RECOMMENDED** to approve an update to the Commercial Investment Strategy, in the form of the newly titled: 'Regeneration and Investment Strategy' (as set out at Appendix A of the presented agenda report).

## 2. **Background**

- 2.1. The commercial investment strategy that is being amended has been available for use by the Council since September 2018. Whilst a number of opportunities have been reviewed in that time, only one acquisition has been made.
- 2.2. This reflects the ability for the Council to take timely decisions, that don't require the delegation contained in this strategy, for the majority of its priorities; housing, economy, regeneration and commercial activity. It is not anticipated that this should change.
- 2.3. Changes to the PWLB rules resulting from local authority investment activity out of area have meant that the strategy requires updating. It should be noted that this Council has not made any out of area investments.
- 2.4. Better Lives for All, the corporate strategy was adopted in 2021 and sets out clear ambitions to ensure the District of South Hams can be the best version of itself. The Council has also declared a housing crisis and is seeking to take short and long term interventions to ensure housing stock is affordable. This activity may, periodically, require swift financial decisions, enabled via this strategy.

## 3. **Outcomes/outputs**

- 3.1. An amended and updated strategy to support the corporate strategy priorities and allow the Council to respond to opportunities aligned to those priorities should they occur.

## 4. **Options available and consideration of risk**

- 4.1. The existing strategy as it stands is still able to be used, but as written does not include the latest PWLB guidelines and should therefore be updated.
- 4.2. This report does not propose any changes relating to borrowing thresholds or the approval process through which the strategy is deployed, but it should, as a matter of best practice, be updated to reflect the PWLB guideline changes and be aligned to the Corporate Strategy.

## 5. **Proposed Way Forward**

5.1. That Council considers the recommendations set out in this paper and adopt the new revised strategy contained in Appendix A.

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	
Financial implications to include reference to value for money	Y	Following the Public Works Loan Board (PWLB) Consultation the rules for PWLB investment have changed. The following criteria are the only criteria in which the Council can use PWLB funding as supported by this strategy. The four categories are Housing, Regeneration, Service Delivery or re-financing of existing debt.  Currently borrowing levels under this strategy are capped at £60m.
Risk	Y	
Supporting Corporate Strategy	Y	Better Lives for All
Climate Change - Carbon / Biodiversity Impact	N	No direct carbon/biodiversity impact arising from the recommendations
<b>Comprehensive Impact Assessment Implications</b>		
Equality and Diversity	N	None
Safeguarding	N	None
Community Safety, Crime and Disorder	N	None
Health, Safety and Wellbeing	N	None
Other implications		

**Supporting Information**

**Appendices:**

Appendix A – Regeneration and Investment Strategy

**Background Papers:**

None