

Report to: **Council**
Date: **5 April 2022**
Title: **Regeneration and Investment Strategy**
Portfolio Area: **Councillor Chris Edmonds**
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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RECOMMENDATIONS:

That COUNCIL :

- 1. Approve the update to the Regeneration and Investment Strategy as contained in Appendix A; and**
- 2. change the title of the Invest to Earn Committee to the Regeneration and Investment Committee.**

1. Executive summary

- 1.1. The Council approved an investment property strategy in December 2017 (CM 45). It has been amended multiple times since then, last in December 2019 by full Council (CM 53) to ensure it remained aligned to the public sector investment regulations. The financial threshold is currently £50m.
- 1.2. Changes to the PWLB borrowing rules require that the strategy is further updated. Borrowing funding from the Public Works Loans Board (PWLB) for investment opportunities outside of the area of the Borough, 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 'A Plan for West Devon', 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 Hub Committee considered the Regeneration and Investment Strategy on 8th March 2022 (Minute Ref HC 74/21). It was recommended:

That Council be **RECOMMENDED** to approve the update to the Regeneration and Investment Strategy as contained in Appendix A and to change the title of the Invest to Earn Committee to the Regeneration and Investment Committee.

2. **Background**

- 2.1. The investment property strategy that is being amended has been available for use by the Council since December 2017. During that time a number of successful acquisitions of investment properties have been made which have aligned to the strategy.
- 2.2. In general however, the Council does not need to rely on this strategy and can take timely decisions, that don’t require the delegation contained within, for the majority of its priorities; housing, economy and regeneration. It is not anticipated that this should change.
- 2.3. Changes to the PWLB rules resulting from local authority investment activity outside of the area of the Borough have meant that the strategy requires updating. To date, Investment Properties have a value of £19.83 million in aggregate as at 31.3.2021 on the Council’s Balance Sheet, for four investment properties.
- 2.4. A Plan for West Devon, the corporate strategy was adopted in 2021 and sets out clear ambitions to ensure the Borough of West Devon can be the best version of itself. The Council has also declared a housing crisis and may seek to make 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	<p>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.</p> <p>Currently borrowing levels under this strategy are capped at £50m.</p> <p>To date, Investment Properties have a value of £19.83 million in aggregate as at 31.3.2021 on the Council's Balance Sheet, for four investment properties.</p>
Risk	Y	
Consultation and Engagement Strategy	N	External consultation and engagement has not been undertaken with regard to this report.
Supporting Corporate Strategy	Y	A Plan for West Devon
Climate Change - Carbon / Biodiversity Impact	N	No direct carbon/biodiversity impact arising from the recommendations
Comprehensive Impact Assessment Implications		
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