

COUNCIL

21 NOVEMBER 2017

EXTRACT OF MINUTES OF CABINET HELD 13 NOVEMBER 2017

REPORT OF THE DEMOCRATIC SERVICES MANAGER

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RECENT REFERENCES:

None

EXECUTIVE SUMMARY:

Appendices A and B to this report sets out draft minutes of Cabinet held 13 November 2017 for the consideration of Council.

RECOMMENDATION:

That Council considers the matters set out in the attached minute extracts.

## Appendix A

### Extract from draft minutes of Cabinet held 13 November 2017

#### 1. **STRATEGIC ASSET PURCHASE SCHEME (LESS EXEMPT APPENDIX)** (Report CAB2996 refers)

Cabinet noted that the Report had not been notified for inclusion on the agenda within the statutory deadline. The Chairman agreed to accept the item onto the agenda as a matter requiring urgent consideration to ensure the Council could enter into an agreement with an external matter without delay.

In addition, the item was not included in the Forward Plan for November as the proposal had only recently become a possibility. The Chairman of The Overview and Scrutiny Committee had therefore agreed to the matter being considered at this meeting.

The Chairman stated that the Strategic Asset Purchase Scheme (SAPS) was an element of the Council's aim to be more entrepreneurial and the first purchase had been Winchester Bus Station. The Council had been made aware of further possible opportunities that might arise which would potentially put the fund above £15m. This included some non-housing related purchases from the Housing Revenue Account in order to generate more income to enable more new council homes to be built.

The Chairman highlighted that the existing governance arrangements for the SAPS Board would remain, subject to a minor change to correct an anomaly in its membership, as set out in the Report (and the recommendation to Council below).

At the invitation of the Chairman, Councillors Thompson and Prince addressed Cabinet and their comments are summarised below.

Councillor Thompson expressed some concern about the lack of detail outlined in the Report regarding purchases undertaken to date and also possible future purchases. She queried why the proposal was to double the fund available to £30m when purchases undertaken to date (and proposed in the exempt appendix) did not exceed the £15m currently available.

In addition to reiterating points raised by Councillor Thompson, Councillor Prince also queried whether extending loan funding to £30m could impact on the Council's ability to borrow on other major projects (such as the new Leisure Park). He also welcomed the proposed changes to the membership of the SAPS Board and queried why the Portfolio Holder for Finance was not previously a member.

The Strategic Director (Resources) advised that the prudential borrowing limits were set by Council and all schemes were assessed using public loan rates. Any additional funding was assessed as if the Council was going to

borrow and consequently there was no negative impact on the ability to borrow for other schemes.

The Board's membership had previously included Councillor Godfrey as Leader with Portfolio Holder for Finance and a correction was therefore required to include the Portfolio Holder for Finance (when this position was held separate to the Leader).

Cabinet noted a minor correction to the Recommendation 2a as set out below.

Cabinet agreed to Recommendations 1 and 2 of the Report at this stage of the meeting and Recommendation 3 following consideration of Exempt Appendix A.

Cabinet agreed to the following for the reasons set out above and outlined in the Report.

**RECOMMENDED:**

**1. THAT THE STRATEGIC ASSET PURCHASE SCHEME FUND BE INCREASED BY AN ADDITIONAL £15M TO BE EVENTUALLY FINANCED BY PRUDENTIAL BORROWING**

**2. THAT AMENDMENTS TO THE SCHEME SUCH THAT:**

**(A) A MINIMUM SCORE OF 65% AGAINST THE EXISTING AGREED CRITERIA IS REQUIRED; AND**

**(B) THE PORTFOLIO HOLDER FOR FINANCE AND FINANCE MANAGER (CAPITAL & TREASURY) BE MEMBERS OF THE SAP BOARD;**

**BE APPROVED.**

**2. EXEMPT BUSINESS**

**RESOLVED:**

1. That in all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

2. That the public be excluded from the meeting during the consideration of the following items of business because it is likely that, if members of the public were present, there would be disclosure to them of 'exempt information' as defined by Section 100I and Schedule 12A to the Local Government Act 1972.

<u>Minute Number</u>	<u>Item</u>	<u>Description of Exempt Information</u>
##	<ul style="list-style-type: none"> <li>Strategic Asset Purchase Scheme (Exempt Appendix)</li> </ul>	) Information relating to the ) financial or business affairs of ) any particular person (including ) the authority holding that ) information). (Para 3 Schedule ) 12A refers)

3. **STRATEGIC ASSET PURCHASE SCHEME (EXEMPT APPENDIX)**  
 (Report CAB2996 refers)

Cabinet noted that it had not been possible to give 28 days notice of a decision to be taken in exempt session, as required under The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012. The Chairman of The Overview and Scrutiny Committee had therefore agreed to the matter being considered in exempt business at this meeting.

At the invitation of the Chairman, Councillor Prince queried whether other valuations would be undertaken on the proposed purchase outlined in the exempt appendix?

The Strategic Director: Resources confirmed that, in accordance with the governance framework, an independent valuation was been undertaken and would be available for Council on 21 November 2017.

Cabinet discussed the contents of Exempt Appendix A which set out details regarding a proposed acquisition (detail in exempt minute).

Cabinet agreed to the following for the reasons set out above and outlined in the Report.

**RECOMMENDED:**

**THAT THE PROPOSED ACQUISITION DETAILED IN EXEMPT APPENDIX A OF THE REPORT BE APPROVED.**