

**TELFORD & WREKIN COUNCIL**

**CABINET - 21 JULY 2016**

**£20m GROWTH FUND – INVESTING IN TELFORD’S GROWTH**

**REPORT OF THE ASSISTANT DIRECTOR: DEVELOPMENT, BUSINESS & EMPLOYMENT**

**LEAD CABINET MEMBERS – CLLR LEE CARTER and CLLR SHAUN DAVIES**

**PART A – SUMMARY REPORT**

**1. SUMMARY OF MAIN PROPOSALS**

1.0 In November 2015 Council approved borrowing to establish a £20m Growth Fund to attract inward investment and deliver economic growth and revenue income. Under the terms of that Report investment is focussed on the development of the Council’s Property Investment Portfolio (PIP). This report seeks an amendment to the delegation to allow for the £20m Growth Fund to be used to fund strategic infrastructure, including electricity and utility supplies, where through a business case this is shown to support and enable inward investment, business growth and revenue generation.

**2. RECOMMENDATIONS**

- 2.1 That Cabinet delegate authority to the Assistant Director: Development, Business & Employment in consultation with the Assistant Director: Finance, Audit & Information, and the Cabinet Member: Council Finance & Service Delivery to consider the business case and determine the acquisition and disposal of PIP assets and/or investment in strategic infrastructure.
- 2.2 That Cabinet delegate authority to the Assistant Director: Development, Business & Employment to undertake the acquisition and disposal of PIP assets and/or investment in strategic infrastructure following approval to the business case as set out in 2.1 and to enter into arrangements, agreements, deeds and transfers as required to secure any such acquisition, disposal and/or investment.
- 2.3 That Cabinet acknowledges use of the approved Growth Fund to be used in this financial year to facilitate the ongoing rationalisation and expansion of the PIP and/or investment in strategic infrastructure as outlined in this report.
- 2.4 That Cabinet delegate authority to the Assistant Director: Law, Democracy & People Services to seal or sign any documents required to give effect to the recommendations contained in this report.

**3. SUMMARY IMPACT ASSESSMENT**

<b>COMMUNITY IMPACT</b>	Do these proposals contribute to specific Priority Plan objective(s)?	
	Yes	The proposals within this report will support the priority of protecting and creating jobs as part of a 'Business Supporting, Business Winning Council'
	Will the proposals impact on specific groups of people?	
	No	
<b>TARGET COMPLETION/ DELIVERY DATE</b>	The programme of PIP investment and disposals is a continual process.	
<b>FINANCIAL/ VALUE FOR MONEY IMPACT</b>	Yes	The Property Investment Portfolio (PIP) generates revenue income of in excess of £5m for the Council which supports a range of Council services. This report seeks approval to extend the use of the existing capital approval for the Telford Growth Fund to also allow investment in strategic infrastructure to support economic growth. To ensure the sites are capable of being brought forward for the use and sectors required. Where possible contributions will be obtained through Growth Deal bids (via the LEP) and where applicable the Telford Land Deal. In assessing these opportunities an invest to save approach including assessment of anticipated Business Rates income will be undertaken. The

		<p>recommendations in this report do not increase total prudential borrowing commitments but will allow a wider range of opportunities and potential benefits to be obtained from the funding already allocated to the Telford Growth Fund.</p> <p>The individual investments, including revenue borrowing costs, will be subject to approval by the Assistant Director: Development, Business and Employment and the Assistant Director for Finance, Audit &amp; Information after consultation with the Cabinet Member for Council Finance &amp; Service Delivery. KC 15/07/16</p>
<b>LEGAL ISSUES</b>	Yes	The Council has the power to carry out the recommendations contained within this report but has a statutory duty to obtain best consideration when disposing of property/land. In addition, the Council is also under an obligation to comply with EU procurement requirements when it awards any contracts described in this report.
<b>OTHER IMPACTS, RISKS &amp; OPPORTUNITIES</b>	Yes	The opportunities and risks will be continually monitored as part of the rationalisation programme. The investment will enable inward investment and business expansions providing opportunities for job creation, regeneration and generate additional business rates
<b>IMPACT ON SPECIFIC WARDS</b>	No	Borough wide

## **PART B – ADDITIONAL INFORMATION**

### **4. INFORMATION**

#### **4.1 Telford Growth Fund – Supporting Investment Opportunities**

The Council's 'Business Winning' approach, coupled with the implementation of the HCA Land Deal has resulted in significant investment into the Borough and a continuing level of interest in premises. The Enterprise Telford pledge to business is driving a significant pipeline of inward investment inquiries.

4.2 The creation of the “**Telford Growth Fund**” has allowed borrowing up to £20million to fund further investment to deliver business growth, enable rationalisation of the PIP and increase the revenue return through rent and business rates. A full report on the investment outcomes from the Deal one year in will come to Cabinet in October. However recent inquiries particularly from within the automotive sector have shown the need for investment to also be considered into strategic infrastructure which will directly support investors 'landing' in the borough. This includes investment into electricity upgrade at T54, the Borough's flagship employment site for automotive and advanced manufacturing. The ability to provide 'shovel ready' sites and to be able to move quickly to commit to a scheme remains a priority and something that is setting Telford aside from other investment destinations competing for the same investors.

4.3 This report seeks approval to widen the scope of the £20m Growth Fund to allow investment into strategic infrastructure. This would remain subject to a business case being approved for each investment in line with the recommendations.

4.4 The investment into strategic infrastructure such as utility supplies and enhanced highways improvements enables sites to come forward both to the market as a whole and sectors that the Authority want to promote such as advanced engineering and automotive. Such infrastructure will unlock sites and accelerate the rate of site delivery resulting in greater income from business rates, to the authority.

### **5 PREVIOUS MINUTES**

CB-64 – 8 November 2012

CB-53 – 12 November 2015

### **6 BACKGROUND PAPERS**

None