

Portfolio Holder Decision Meeting

AGENDA

DATE: **Thursday 18 August 2016**

TIME: **12.00 Midday**

VENUE: **Committee Room 3,
Harrow Civic Centre**

MEMBERSHIP

Councillor Sachin Shah – Leader of the Council

Contact: Daksha Ghelani, Senior Democratic Services Officer
Tel: 020 8424 1881 daksha.ghelani@harrow.gov.uk

AGENDA - PART I

PROCEDURAL

1. DECLARATIONS OF INTEREST

To receive declarations of disclosable pecuniary or non pecuniary interests, arising from business to be transacted at this meeting, from:

- (a) all Members of the Committee, Sub-Committee or Panel;
- (b) all other Members present.

2. MINUTES (Pages 5 - 6)

That the minutes of the meeting held on 19 May 2016 be taken as read and signed as a correct record.

3. PETITIONS

To receive petitions (if any) submitted by members of the public/Councillors under the provisions of Executive Procedure Rule 49 (Part 4D of the Constitution).

4. PUBLIC QUESTIONS *

To receive any public questions received in accordance with Executive Procedure Rule 51 (Part 4D of the Constitution).

Questions will be asked in the order notice of them was received and there be a time limit of 15 minutes.

[The deadline for receipt of public questions as given by the Leader is 5.00pm on 17 August 2016. Questions should be sent to publicquestions@harrow.gov.uk

No person may submit more than one question].

5. MATTERS REFERRED TO THE EXECUTIVE MEMBER

In accordance with the provisions contained in Overview and Scrutiny Procedure Rule 23 (Part 4F of the Constitution).

6. REPORTS FROM THE OVERVIEW AND SCRUTINY COMMITTEE OR SUB-COMMITTEES

COMMUNITY

7. INVESTMENT PORTFOLIO ACQUISITION (Pages 7 - 12)

Report of the Corporate Director of Community.

8. EXCLUSION OF THE PRESS AND PUBLIC

To resolve that the press and public be excluded from the meeting for the following item of business, on the grounds that it involves the likely disclosure of confidential information in breach of an obligation of confidence, or of exempt information as defined in Part I of Schedule 12A to the Local Government Act 1972:

<u>Agenda Item No</u>	<u>Title</u>	<u>Description of Exempt Information</u>
9.	Investment Portfolio Acquisition	Information relating to the business affairs of any particular person (including the authority holding that information)

AGENDA - PART II

9. INVESTMENT PORTFOLIO ACQUISITION (Pages 13 - 86)

Appendices to the report of the Corporate Director of Community at item 7 above.

* DATA PROTECTION ACT NOTICE

The Council will audio record item 3 (Public Questions) and will place the audio recording on the Council's website, which will be accessible to all.

[**Note:** The questions and answers will not be reproduced in the minutes.]

Publication of decisions	22 August 2016
Deadline for Call in	N/A – Call-in has been waived
Decisions implemented if not Called in	22 August 2016 – after the decision has been taken

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PORTFOLIO HOLDER DECISION MEETING MINUTES

19 MAY 2016

Chair: * Councillor David Perry

* Denotes Member present

1. Declarations of Interest

RESOLVED: To note that there were no declarations of interests made by Members.

2. Minutes

RESOLVED: That the minutes of the meeting held on 23 August 2011 be taken as read and signed as a correct record.

3. Petitions

RESOLVED: To note that no petitions had been received.

4. Public Questions

RESOLVED: To note that no public questions were received.

5. Matters referred to the Executive Member

RESOLVED: To note that no matters had been referred to the Leader of the Council for reconsideration.

6. Reports from the Overview and Scrutiny Committee or Sub-Committees

RESOLVED: To note that no reports had been received.

RESOLVED ITEMS

7. The Bridge - outcome of the consultation and decision on future provision

The Leader of the Council considered a report which set out a summary of the responses received in relation to the consultation on The Bridge, including alternative proposals put forward during the course of the process, together with proposals for the future operation of the service.

RESOLVED: That

- (1) the Bridge remain open as a mental health facility, operating as a 'community model';
- (2) the tendering of the service to community and voluntary groups be approved;
- (3) the Corporate Director of People, following consultation with the Portfolio Holder for Adults and Older People, be authorised to conduct the tendering exercise and to award a contract for a three year period;
- (4) a 9 month extension to the existing contract with Rethink Mental Illness be authorised to enable the tendering process to be undertaken.

Reason for Decision: To help remove the uncertainty around future use of The Bridge and alleviate anxiety amongst current users.

Alternative Options Considered and Rejected: As set out in the report.

Conflict of Interest relating to the matter declared by Cabinet Member/Dispensation Granted: None.

Ref PHD - 007/16

REPORT FOR: Decision by Leader of the Council

Subject: Investment Portfolio Acquisition

Responsible Officer: Tom McCourt, Corporate Director of Community

Portfolio Holder: Leader of the Council and Portfolio Holder for Strategy, Partnerships and Devolution

Key Decision: Yes

Power to be exercised: Paragraph 3 of the Appendix to the Executive Procedure Rules

Exempt: No, except for the appendices which are exempt (Part II) under Section 12a of the Local Government Act 1972 (as amended) as they contain information relating to the business affairs of any particular person (including the authority holding that information).

Urgent/Non Urgent: Urgent - The Council is negotiating an investment purchase and the vendor requires completion within a short commercial timeframe. If the Council cannot meet the vendor's timeframe, the vendor may re-market the site and the Council may lose this investment opportunity

Wards affected: None

Enclosures: Exempt Part II Appendices

- Purchase Report and related appendices 1 and 2
- Valuation

Section 1 – Summary and Recommendations

This reports sets out details of a proposed investment acquisition and recommends a one off amendment to the maximum lot size.

Recommendations:

The Leader of the Council is requested to:

Authorise the Corporate Director of Community and Director of Finance following consultation with the Portfolio Holders for Business, Planning and Regeneration and Finance and Commercialisation to acquire a property at a figure of £125,000 in excess of the single purchase limit of £5million provided for in the Council's Investment Property Strategy as approved by Cabinet on 10 December 2015.

Reason: To progress the Councils Investment Property Strategy in accordance with the requirements of the "Commercialisation Strategy 2015-2018" and contributing to the MTFS

Section 2 – Report

Introduction

Cabinet at its meeting on the 10th December 2015 considered the Investment Strategy Paper and approved the acquisition of a £20 million property Investment portfolio

Subsequently the Corporate Director –Resources and Commercial has entered into an Inter Authority Agreement with Luton Borough Council for the provision of property investment advisory services.

An investment property was introduced and recommend in accordance with the inter Authority Agreement and the full report is contained in the attached part 11 Appendix

Options considered

Option 1- Do not acquire this property as it is at a figure in excess of the approved single purchase limit of £5m

Option 2- Seek authority to vary the single purchase limit on this occasion as it otherwise meets the councils investment criteria as detailed in the report from Luton Borough Council contained in the exempt appendix

Recommendation

Option 2 is recommended as it provides an opportunity to add to the council's investment portfolio and make a positive contribution to the MTFS.

Environmental Impact

There is no environmental impact

Risk Management Implications

Full due diligence will be carried out as detailed in the attached exempt appendix and a separate RICS Red Book Valuation is being carried out by Lambert Smith Hampton to further validate the proposed acquisition. A copy of the Red Book Valuation forms part of the part 11 exempt appendix

Risk included on Directorate risk register? No

Legal Implications

Set out detailed legal implications of the proposed decision. Where appropriate, liaise with the relevant legal officer and ensure that their clearances are obtained.

In making this decision, the Leader is acting in the place of Cabinet. This decision varies the previous Cabinet decision made on 10 December 2015.

The Council is authorised by statute to make acquisitions by agreement pursuant to s.120 Local Government Act 1972.

Financial Implications

The acquisition supports the approved property Investment strategy and will be funded from the £20m capital budget approved within the Medium Term Financial Strategy. Full details are within part 11 exempt appendix.

After accounting for capital financing charges (minimum revenue provision and interest), the net contribution towards the general fund is estimated to be between £30k to £150k per annum. The difference is due to the assumed life

of the asset which is still to be identified, the net contribution is currently based on an asset life between 25 to 50 years.

Any significant capital works required on the property over its useful life are not included in the above calculations and will impact on the net contribution to the general fund.

Equalities implications / Public Sector Equality Duty

Section 149 of the Equality Act 2010 requires that public bodies, in exercising their functions, have due regard to the need to (1) eliminate discrimination, harassment, victimisation and other unlawful conduct under the Act, (2) advance equality of opportunity and (3) foster good relations between persons who share a protected characteristic and persons who do not share it.

There are considered to be no equalities implications resulting from this report's proposals.

Council Priorities

In making a positive contribution to the MTFS the acquisition will help the council fund its priorities.

Section 3 - Statutory Officer Clearance

Signature:	
Name: Dawn Calvert	<input checked="" type="checkbox"/> on behalf of the Chief Financial Officer
Date: 8 August 2016	
Signature:	
Name: Matthew Dineen	<input checked="" type="checkbox"/> on behalf of the Monitoring Officer
Date: 11 August 2016	

Ward Councillors notified:	N/A
EqIA carried out:	N/A
EqIA cleared by:	N/A

Section 4 - Contact Details and Background Papers

Contact: Belinda Prichard
SM Valuation and Estate Management
Belinda.Prichard@harrow.gov.uk
Ext: 5330
DD: 020 8420 9330

Background Papers:

Cabinet Report 10 December 2015-Investment Property Strategy
<http://www.harrow.gov.uk/www2/ieListDocuments.aspx?CId=249&MId=62619&Ver=4>

Signature:

Position: Corporate Director of Community

Name: (print) Tom McCourt

Date: 15 August 2016

For Leader

* I do agree to the decision proposed

* I do not agree to the decision proposed

* *Please delete as appropriate*

Notification of disclosable non-pecuniary and pecuniary interests (if any):

[Should you have a disclosable pecuniary interest, you should not take this decision.]

Additional comments made by and/or options considered by the Portfolio Holder

Signature:

Leader

Date:

**Call-In Waived by the
Chair of Overview and
Scrutiny Committee**

YES

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of the Local Government Act 1972.

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