

Record of Decision

Mayor's Response to the Council's Objections to the Review of Torbay Council Investment Fund Strategy

Decision Taker

Mayor on 27 July 2017

Decision

The Mayor disagrees with the Council's objection and confirms his original recommendation to Council as set out below:

that the Council be recommended to approve the revised Investment Fund Strategy, including the additional £50m for the Investment Fund (making a total of £100m) to be funded from prudential borrowing (when required), set out in Appendix 1 to the submitted report.

Reason for the Decision

To respond to the Council's objections to the Review of Torbay Council Investment Fund Strategy. The Mayor does not wish to increase the amount of the Investment Fund as any rise will increase the level of risk to the Council in future years if the assets do not perform or if market value decreases. The Mayor does not wish to increase the level of delegation to the Investment Committee as he feels that such high value decisions (e.g. over £10m) should be made by all Councillors and not just the few who sit on the Investment Committee. He also feels that increasing levels further will impact on delivery of town centre regeneration as it will restrict the amount of money available for these projects.

Implementation

The Mayor's response to the Council's objections will be considered at the Council meeting on 13 September 2017.

Information

At the meeting of Council held on 20 July 2017, the Council formally objected to the adoption of the revised Investment Fund Strategy on the basis that:

1. The amount of money within the Investment Fund should be substantially increased beyond that recommended by the Mayor and the Investment Committee to enable the Council to realistically meet its goal of increasing revenue in support of the Council's budget; and
2. The level of authority delegated to the Investment Committee be substantially increased to support the ability to properly investigate opportunities and make timely decisions to be able to respond to the market. This will also provide a more efficient governance mechanism for effective decision-making.

In accordance with the Constitution at F4.9, the Council therefore requires the Mayor to consider this objection by 28 July 2017 and either:

- a) submit a revision of the Investment Fund Strategy with the reasons for any

amendments to the Council for its consideration; or

- b) inform the Council of any disagreement that the Executive has with any of the Council's objections and the Executive's reasons for any such disagreement.

The Mayor considered the recommendations of the Council and his proposed response is set out above.

Alternative Options considered and rejected at the time of the decision

None

Is this a Key Decision?

Yes – Reference Number: I029278

Does the call-in procedure apply?

No

Declarations of interest (including details of any relevant dispensations issued by the Standards Committee)

None

Published

28 July 2017

Signed: _____
Mayor of Torbay

Date: 27 July 2017