

*Decisions effective from the 23<sup>rd</sup> March unless they are called in or recommended to the Council for approval*

## **Trading and Enterprise Board**

Minutes of a Meeting of the Trading and Enterprise Board held in the Council Chamber, Civic Centre, Tannery Lane, Ashford on the **12<sup>th</sup> March 2018**.

### **Present:**

Cllr. Bell (Chairman);

Cllrs. Bradford, Galpin;

Cllr. Ovenden (Observer).

### **Apology:**

Cllr. Clokie.

### **Also Present:**

Head of Corporate Property and Projects (in his capacity as Director of A Better Choice for Property Ltd), Interim Head of Finance (in her capacity as Director of A Better Choice for Property Ltd), Commercial Development Manager (A Better Choice for Property Ltd), Senior Accountant, Commercial Development and Regeneration Officer, Senior Member Services Officer.

## **373 Minutes**

### **Resolved:**

**That the Minutes of the meeting of the Board held on the 4<sup>th</sup> December 2017 be approved and confirmed as a correct record.**

## **374 Future Finance Facilities – A Better Choice for Property Ltd**

The report of the Senior Accountant advised that, in-line with the Property Company's approved Business Plan, there was a need to significantly expand its residential portfolio over the next five years. The Company was therefore requesting an approved loan facility, available to draw down on to support the agreed expansion. The Company did not currently have sufficient draw down facilities to pursue any opportunities of acquiring properties in a competitive and commercial manner and were therefore requesting a loan facility from Ashford Borough Council up to a maximum of £30m. It was proposed that the process for agreeing any purchases would involve the drawing up of a detailed business plan. Purchases up to the value of £10m would be reported to the Director of Finance and Economy and the Portfolio Holder for Finance and IT for agreement, whereas those over £10m

would also follow that route, but would in addition need to be reported to this Board for agreement.

In response to questions from Members, the Senior Accountant advised that any rises in interest rates would be factored in to the business case for each proposal. The Council would charge the Company a market rate of interest, but at differing rates depending on the length of the loan.

There was a discussion about the Overview and Scrutiny Committee's wish to scrutinise the activity of the Company and it was advised that this was expected to happen later in the year. It was anticipated that there would need to be an explanation of the Company's Business Plan and Financial Strategy, particularly in terms of what would be done with any profits as they increased. The Head of Corporate Property and Projects confirmed that this was the intention and he would include that detail in his presentation to Overview and Scrutiny.

**Recommended:**

**That the Council agree that a loan facility be made available to A Better Choice for Property Ltd, up to a maximum of £30m, subject to the conditions in the report.**

### **375 Exclusion of the Public**

**Resolved:**

**That pursuant to Section 100A(4) of the Local Government Act 1972, as amended, the public be excluded from the meeting during consideration of the following item, namely North Street Development, as it is likely in view of the nature of the business to be transacted or the nature of the proceedings that if members of the public were present there would be disclosure of exempt information hereinafter specified by reference to Paragraph 3 of Schedule 12A of the Act, where in the circumstances the public interest in maintaining the exemption outweighs the public interest in disclosing the information.**

### **376 North Street Development**

Following approval of its Business Plan by the Cabinet on 13<sup>th</sup> July 2017, the Property Company presented an opportunity to make a purchase at the above location. The report contained full details of the proposal including the number of units to be acquired and the required capital investment including a request for a further loan facility from Ashford Borough Council to fully fund the scheme. The report also contained a full appraisal of the scheme over a 40 year period in terms of Net Present Value and Internal Rate of Return.

Board Members were extremely supportive of the proposals and thanked those individuals who had worked so hard to bring them forward for the Company. It was considered that intervention in to the buy-to-let market, particularly in the Town Centre, could only be beneficial.

On a more general note, the Chairman said he was pleased to see more proposals such as this coming forward and looked forward to receiving more in the near future.

**Recommended:**

- That**
- (i) the Business Case and report for the proposed development as detailed in the report and at Annex 1 to the report, be approved.**
  - (ii) a further loan facility of £2.5m to enable direct funding of this scheme be agreed.**

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Queries concerning these Minutes? Please contact Danny Sheppard:  
Telephone: 01233 330349 Email: [danny.sheppard@ashford.gov.uk](mailto:danny.sheppard@ashford.gov.uk)  
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