

Agenda Item No: 4

Report To: Trading & Enterprise Board

Date of Meeting: 26th November 2019

Report Title: A Better Choice for Property Limited – Share Purchase

Report Author & Job Title: Ben Lockwood, Director of Finance and Economy

Portfolio Holder Cllr. Bell, Chair of Trading & Enterprise Board
Portfolio Holder for:



Summary:	This report requests an earlier purchase of the next tranche of shares in A Better Choice for Property Limited (“the Company”) than previously approved. The previous approval allows for £100,000 worth of shares to be purchased in the financial year 2020/21 and the Company would like the Council to bring this purchase forward to the current financial year.
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Key Decision: NO

Significantly Affected Wards: None

Recommendations: **The Board is recommended to:**

I. Recommend to Cabinet that it approves the purchase of £100,000 worth of shares in the financial year 2019/20 instead of in the financial year 2020/21 as previously approved.

Policy Overview: The Company supports the Council’s commercialisation agenda.

Financial Implications: The release of £100,000 in this financial year rather than next.

Legal Implications None, this is a request to amend the release date of the share purchase that has previously been approved.

Equalities Impact Assessment Not Required

Other Material Implications: None.

Exempt from Publication: **NO**

**Background
Papers:**

Minutes of the Trading & Enterprise Board – 3rd July 2017

Contact:

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Report Title: A Better Choice for Property – Share Purchase

Introduction and Background

1. At its meeting on 3rd July 2017 (minute 79 CA/TEB030717 refers) the Trading and Enterprise Board recommended to Cabinet that it approves the purchase of a further £300,000 worth of shares in A Better Choice for Property Limited by way of an equity investment. This £300,000 was to be distributed equally across three financial years to enable the Company to employ a member of staff to deliver the business plan.
2. The first tranche of equity was released on 31st July 2018, in the 2018/19 financial year, the second was released on 9th May 2019, in the current financial year.
3. Members will note that the Company did not need to drawdown the initial tranche in the financial year that the approval was given. This was due to the recruitment process taking some time and prudent management of its cashflow.

Proposal/Current Position

4. In order to assist the Company's cashflow, the Company is now asking the Board to recommend that Cabinet approves the release of the final tranche of equity in the current financial year rather than waiting until the 1st April 2020.

Equalities Impact Assessment

5. An Equalities Impact Assessment is not required.

Consultation Planned or Undertaken

6. No further consultation is necessary.

Other Options Considered

7. If the Board does not approve the recommendations then the Company will have to consider other methods of funding the short term cashflow shortfall. This could involve additional borrowing or sale of property.

Reasons for Supporting Option Recommended

8. The purchase of the shares has already been approved by the Council, this is a request to bring the purchase forward into the current financial year.
9. If the first of the three share purchases had happened in the financial year that the approval was given, the funds would already have been released and this paper would not have been necessary.

10. Elsewhere on the agenda is the performance report on the company that shows low levels of void properties within the existing stock. The Company has recently brought the block of flats in Victoria Crescent into operation which when occupied, will improve cashflow.

Next Steps in Process

11. If the Board approves the recommendation to Cabinet and Cabinet approves the same, then the shares can be issued and the funds released following the normal call in period after the Cabinet decision.

Conclusion

12. Members are requested to approve the recommendation to Cabinet as it is in the best interest of the Council to support the Company in this way.

Portfolio Holder's Views

13. I fully support the recommendations.

Contact and Email

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