

Appendix A

Investment Proposal Supporting Information / Transformation Fund Bid

Bid Title	Strategic Investment Adviser
Service Area / Directorate	Business Improvement and Development
Sponsoring Director	Amanda Askham

Brief Description of Bid	<p>On 22nd January 2019, General Purposes Committee (GPC) agreed an outline investment of £3million of revenue to support the delivery of transformation and savings within the Council's business plan for 2019/20 to 2023/24. The Committee asked that individual business cases against this funding were brought to GPC when ready.</p> <p>A business case was developed and agreed during the 2019/20 business planning cycle, relating to developing strength and depth in our commercial investment activity. The business case contained a proposal to obtain external expertise, not only support in achieving the financial targets contained within the strategy but to support the skilling up of officers and members in this area.</p> <p>This request is to draw down £147,000 of the agreed funding to facilitate the work of Redington Ltd, an external investment adviser, to support the development of our acquisitions and investment strategy / portfolio.</p> <p>This work will provide;</p> <ul style="list-style-type: none"> • Access to knowledge: access to up-to-date specialist knowledge of the market, strategic thinking, process tools and support. We would benefit from broader business perspectives gained from experience with other clients, markets and sectors to support the de-risking of our investments. Advice will be provided on the illiquid asset opportunity set, based on risk, return and investment horizon and liquid asset opportunities, measured on contractual / non-contractual return and volatility • Objectivity: independent assessment and evaluation of different views and benchmarking of performance • Transfer insights and practices: Support provided to upskill both officers and member's knowledge of the market / process. • Management support: this process will require a large quantity of resource (human capital and specific expertise) and a clear governance process, therefore capacity to drive this work forward is required
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Type of Bid	Request for one-off funding for the appointment of the Strategic Investment Advisor using the Transformation Fund
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Strategic Links	<p>Developing the local economy for the benefit of all Helping people live healthy and independent lives Supporting and protecting vulnerable people</p> <p>The Council's Corporate Strategy, with these priorities at its core, identifies a number of key objectives that are directly linked to commercial investment activity, with this proposal supporting the implementation of that strategy.</p>
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Cash Flow	19/20 £000	20/21 £000	21/22 £000	22/23 £000	23/24 £000	24/25 £000
Revenue Advance	147					
Capital Advance						
Savings/ Income	-5,000 (see below)					

Pay Back Period in Years	1
Savings/Investment Ratio over 10 Years	34:1

Measure of Performance Improvement	Baseline	19/20	20/21	21/22	22/23	23/24

Risks and Contingencies	<p>The income generated through this proposal is predicated on the availability of funding to use for our investment proposals. Therefore there is likely to be some variation in this figure. It is anticipated the returns will equate to approx. 5% of the amount invested.</p> <p>There is a continued risk that further advice from Central Government will increase the scrutiny and difficulty in obtaining funding for investment activities.</p>
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Decision and Date	
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