

19th March 2019

Policy, Projects and Resources Committee

Seven Arches Investments Limited Business Plan

Report of: *Chris Leslie – Executive Director of Commercial Services*

Wards Affected: *All*

This report is: *Public*

1. Executive Summary

- 1.1 This report presents the 2019/20 business plan for Seven Arches Investments Limited (SAIL) to Committee for approval.

2. Recommendation(s)

- 2.1 **That the business plan for Seven Arches Investments Limited is approved.**

3. Introduction and Background

- 3.1 At an Extraordinary Council meeting held on 21 March 2018 the creation of SAIL was approved and the shareholder's powers delegated to the Policy, Projects and Resources Committee. Subsequently SAIL was registered with Companies House on 12th April 2018.
- 3.2 In accordance with the Shareholder's Agreement, an annual business plan is to be presented for approval.

4. Business Plan

- 4.1 In accordance with the requirements of the Shareholder's Agreement, SAIL's annual business plan is included at Appendix A for approval.

5. Reasons for Recommendation

- 5.1 It is a requirement of the Shareholder's Agreement that an annual business plan is presented to the Committee for approval.

6. References to Corporate Plan

- 6.1 This fits with the Council's Transformation Vision, to explore new income generating ideas and opportunities.

7. Implications

Financial Implications

Name & Title: Jacqueline Vanmellaerts, Interim Chief Finance Officer

Tel & Email: 01277 312829/jacqueline.vanmellaerts@brentwood.gov.uk

- 7.1 Although this report has no direct financial implications. It should be noted that Seven Arches Investments Limited will provide a substantial income stream to Council which is included within its Medium-Term Financial Plan. The projected returns are tabled in Section 5 of the Business Plan.
- 7.2 SAIL will deliver these returns by following two streams of activity. Securing Investments opportunities commissioned through a specialist property consultancy; as well as launching a Joint Venture partnership for medium to longer term investment with potentially higher yield returns from year 6. Investments do carry a degree of risk and the company will need to be sustainable in the long term.
- 7.3 SAIL has in place a loan facility agreement of £30m with the Council, which was approved in June 2018. Currently £13.5m has been drawn down to date.
- 7.4 The financial model adopted requires front loaded investment, therefore, significant additional funding will be required in order to realise the figures shown in the financial plan. Any request for additional funding will be made via the agreed governance and approval procedures.

Legal Implications

Name & Title: Daniel Toohey, Monitoring Officer

Tel & Email: 01277 312860/daniel.toohey@brentwood.gov.uk

- 7.5 Legal Services, working with external legal advisers and specialists, will be providing advice and assistance going forward.

8. Appendices to this report

Appendix A – SAIL 2019/20 Business Plan

Report Author Contact Details:

Name: Chris Leslie
Telephone: 01277 312500
E-mail: christopher.leslie@brentwood.gov.uk