

# Responses to scrutiny comments/recommendations from RPPR process in 2017/8

## Audit, Best Value and Community Services Scrutiny Committee

Scrutiny comment / suggestion / recommendation at December 2017 RPPR Board and Libraries Review Board	Response
<p><u>ABVCS Scrutiny Committee RPPR Board 12 December 2018</u></p> <p>Attendees: Councillors Colin Swansborough (Chair), John Barnes (Vice Chair), Matthew Beaver, Philip Daniel and Francis Whetstone (substituting for Councillor Pragnell).</p> <p>Comments to Cabinet:</p> <p><u>Treasury Management Strategy</u> The Board recommended a re-assessment of the Treasury Management Strategy, putting more emphasis on medium term investment vehicles, such as Mixed Asset Bonds, as a way of providing a return without overly affecting liquidity. Such a re-assessment should also take into account a laddering of short term investments, to provide an even income stream. The Board also noted the funds available for investment would diminish over the next three years.</p> <p><u>Property Asset and Investment Strategy</u> The Board welcomed the proposed prioritising of income generation from assets over capital receipts, and noted the current low volume of East Sussex assets.</p> <p>The Board supported key principles 1, 2 and 4 of the Property Asset and Investment Strategy, but recommended a revision to principle 3: “Invest in income producing assets within County creating a diversified portfolio to manage risks and secure an annual return”, to reflect the financing requirements and risks of such investment for the County Council better and the Board recommended a cautious approach to direct investment in commercial property.</p>	<p>A revised Treasury Management Strategy was developed and subsequently agreed by Cabinet at its meeting on 23<sup>rd</sup> January 2018. This revision incorporated feedback from ABVCSSC.</p> <p>A Property Asset Disposal and Investment Strategy is on the forward plan for Cabinet in April 2018. The draft strategy incorporates the feedback from ABVCSSC. The priority for the strategy is investment to support service need and therefore the purpose being to support the Councils priorities with a commercially acceptable return so that the development, management and return could contribute to the strategic aims of the council.</p>

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<p><u>Direct Property Investment</u> In respect of the Property Asset and Investment Strategy and Treasury Management Strategy, the Board recommended a cautious approach to borrowing to invest directly in property with a view to income generation, as the two Strategies are linked, and a vigorous investment in property may require an equivalent cautious approach to other investments.</p>	<p>See above.</p>
<p><u>Libraries Review Board</u> Board Members: Councillors Colin Swansborough (Chair), John Barnes, Peter Pragnell and Richard Stogdon.</p> <p>The libraries scrutiny review board met on 5 March and commented on the final proposals contained in the revised Libraries Strategic Commissioning Strategy (LSCS) that was submitted to the Cabinet. A report was then circulated for consideration at the Cabinet meeting on 6 March 2018.</p>	