

Annex A: Action Plan

Recommendation	Actions Required	Lead Officer	Date for Completion
<p>Recommendation 1</p> <p>Future decision-support documentation should ensure that the public investment purpose, desired outcomes, rationale and objectives are explicit and their fit with the Council's strategic aims are clear.</p>	<p>Development of standard documentation <i>pro forma</i> for proposed acquisitions of assets submitted to Property Investment Working Group (PIWG) setting out:</p> <ul style="list-style-type: none"> • Specific purpose of proposed acquisition. • Specific benefits to the Council and/or residents and/or service users. • Anticipated outcomes (e.g., additional income stream, potential savings, improved service delivery). • Rationale in terms of funding, timing of acquisition, management of assets, future costs of maintenance, cash-flow, site assembly, etc. 	<p>Head of Investment & Development/ Executive Head of Finance.</p>	<p>Already implemented.</p>

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<p>It should be made clear whether the acquisition of property is for financial investment or for an economic, social or public service delivery purpose.</p> <p>The likely achievement of the objectives should be tracked throughout the investment</p>	<ul style="list-style-type: none"> • Specific supporting evidence of fit with the Council's existing property portfolio. • Specific supporting evidence of fit with the Council's strategic aims. • Alternative options to acquisition. <p>Comments to Executive from PIWG to address all these issues to ensure decision-making is based on all relevant criteria.</p> <p>To be made explicit in all reports to PIWG, Executive or Council, and in line with guidance from Government and professional bodies (e.g., CIPFA). Comments from Executive Head of Finance (S151 Officer) must specify whether the acquisition is intended for investment or service delivery purposes.</p> <p>Regular update reports to PIWG on progress against objectives.</p>	<p>Executive Head of Finance.</p> <p>Head of Investment & Development.</p>	<p>Already implemented.</p> <p>Already implemented.</p>

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decision-making process and documentation.			
<p>Recommendation 2</p> <p>Investment decisions should be based on a business case that is fit for purpose and proportionate to the scale of the decision being made.</p> <p>The HM Treasury Five Case Model provides a leading practice methodology, and its adoption will enable the Council to consider value for money taking into account:</p> <ul style="list-style-type: none"> • Strategic Case • Economic Case • Financial Case • Commercial Case • Management Case 	<p>To review the guidance in the Council's Constitution regarding the decision-making process for the acquisition of property.</p> <p>Reports to PIWG, Executive and Council to include all relevant criteria to aid decision-making (see Recommendation 1 above).</p> <p>The HM Model to be incorporated into the <i>pro forma</i> documentation (see Recommendation 1 above) ensuring that the information provided and supporting narrative are proportionate to the size of the investment decision and include sufficient assessment and detail on options, benefits and risks.</p>	<p>Head of Legal Services.</p> <p>Head of Investment & Development/ Executive Head of Finance.</p> <p>Head of Investment & Development/ Executive Head of Finance.</p>	<p>TBC.</p> <p>Already implemented.</p> <p>TBC.</p>
<p>Recommendation 3</p> <p>The Council should consider preparing a programme-level business case for the</p>	<p>To be incorporated into the work programme of the Camberley Town Centre Working Group.</p>	<p>Head of Investment & Development.</p>	<p>TBC.</p>

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<p>redevelopment of Camberley Town Centre.</p> <p>This would provide the economic, social and financial rationale for future expenditure and an economic framework for future investment decisions.</p>	<p>The business case to include the social and economic objectives; the scope and range of projects and activities over the life of the investment; and any interdependencies.</p>	<p>Head of Investment & Development/ Executive Head of Finance.</p>	<p>TBC.</p>
<p>Recommendation 4</p> <p>A range of options should be tested financially and non-financially to achieve an option that provides the best value for money in achieving the strategic aims.</p> <p>The non-financial criteria should include fit with project objectives, strategic alignment, affordability, deliverability.</p> <p>The financial cashflows should cover the economic life of the asset.</p>	<p>Observations:</p> <p>Two options were described for this transaction – to buy or not to buy. Other options, such as seeking a partner, joint ventures and alternative routes for town centre revitalisation were not explored. A robust business case should cover a range of options. In this case a rationale for only two to be taken forward for detailed consideration would need to have been provided based on supporting analysis.</p>	<p>Head of Investment & Development/ Executive Head of Finance.</p> <p>Head of Investment & Development.</p> <p>Executive Head of Finance.</p>	<p>Already implemented.</p> <p>Already implemented.</p> <p>Already implemented.</p>
<p>Recommendation 5</p> <p>Future investment decisions should be accompanied by detailed financial modelling demonstrating projected income</p>	<p>Observations:</p> <p>The section of Annex A [to the report to Council in July 2016] which refers to the financial model provides very little by way of detail or information. We would</p>	<p>Executive Head of Finance.</p>	<p>Already implemented for all significant capital schemes [Investment and Operational].</p>

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<p>and expenditure over the life of the investment.</p> <p>Long-term impact on cashflows and balance sheet should also be a fundamental part of such a long-term decision.</p> <p>There should also be a quantification where possible of the economic and social benefits.</p>	<p>have expected to see far more financial information to support an acquisition of this size. It is implied in the report that the opportunity to purchase was because refurbishment and redevelopment of the centre was sub-commercial for the vendor, which emphasises the need for robust financial analysis. We would expect the capital costs of lifecycle replacement, refurbishment and redevelopment to have been examined, along with quantification of the value of the social and economic benefits, using established benefit cost ratio techniques.</p>	<p>Executive Head of Finance.</p> <p>Head of Investment & Development.</p>	<p>Already implemented for all significant capital schemes [Investment and Operational].</p> <p>Already implemented.</p>
<p>Recommendation 6</p> <p>The Council should undertake a robust risk assessment on future investments that is proportionate to the size of the investment.</p> <p>The assessment should consider scenarios and quantify the key risks through considering impact</p>	<p>The Council's Corporate Risk Register already includes a risk covering income from treasury and property. The mitigation measures referred to in the Recommendation to be included in future revisions of the Risk Register.</p> <p>As well as the assessment of overall risk from the totality of the Council's property portfolio (see</p>	<p>Executive Head of Corporate Services.</p> <p>Head of Investment & Development</p>	<p>Already included on a quarterly basis as part of the review of the Corporate Risk Register.</p> <p>Already implemented.</p>

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<p>and the likelihood of the risks materialising.</p> <p>Mitigation strategies should be set out and there should be clarity on the unmitigated risk that the Council will be exposed to because of the potential transaction and management and commercial arrangements put in place.</p>	<p>above), a similar assessment to be carried out as part of the consideration of each potential acquisition.</p> <p>To be included in both the Corporate Risk Register and individual risk assessments of potential acquisitions.</p>	<p>Head of Investment & Development.</p>	<p>Already included on a quarterly basis as part of the review of the Corporate Risk Register.</p>