

## **Statement to the 29.9.2014 Resources PDS Panel meeting**

*[Italicised text was not included in the spoken statement but for the information and reference of the reader is included in the numbered footnotes overleaf]*

“Thank you Chairman for this opportunity to comment on what I see as an **astute and significant** Call-in, as well as one of professional and personal interest<sup>1</sup>.

I would like to start by setting the discussion in a larger policy context.

- The day after Scotland's "No" vote was announced, I attended a public debate<sup>2</sup> entitled "is government bankrupt?" Observing that a recurrent theme of this discussion was the difficulties governments all around the world face from the tension between the global scale of 21st century problems and their citizens' rejection of greater governmental integration, I remarked that this is why **in Bath and North East Somerset we believe in local solutions to economic, social and environmental problems.**
- I might also have said, that another reason we are confident of a better rather than bankrupt future, is the way **we work with and leverage the resources<sup>3</sup> of our diverse and vibrant communities** Indeed, in my view, the Council's growing strategic local leadership role and range of partnership<sup>4</sup> delivery arrangements is the most remarkable difference between the Council as an organisation now, compared to what it was before the global financial crisis of 2008.
- But organisational change of this scale and pace, requires some **adjustment to our decision-making processes** as those necessary for developing strong and durable partnerships are qualitatively different from those associated with, for example, making wise investments on established financial markets. And we are not alone in having to adjust our financial management practices in this regard, as the recently published G8 Social Impact Investment report<sup>5</sup> makes clear.

Turning now to the specific Call-in issues:

Although its your job to evaluate the strength and weaknesses of the Call-in case, to point you in the general direction of a wise resolution, I would like to table **a question for each of the Call-In stakeholders:**

- **Call-in Members**, how and at what stage would you like the Cabinet to consult or have consulted with you as regards (i) the policy and business rationale for the proposed loan (ii) the nature and results of an appropriate due diligence process (iii) evaluating its social and financial impact?
- **Cabinet Members**, in developing relationships with key delivery partners, how can you better ensure that these are with the whole Council rather than just that of a few Members?
- **Officers**, how can you improve your pre-decision consultation with both Members and Officers?
- **Bath & West Community Energy**, what do you see as the critical success factors to delivering the social and economic as well as environmental benefits over the life of this loan?

Last but not least, **as important as the outcome of this Call-in, is the way in which you arrive at it.** For, it is this consensual process, that with our partners, will empower us to make a lasting difference to the lives of our communities whilst doing our bit to address difficult global problems."

**Nicolette Boater, M.A.(Oxon.), M.Phil**  
*Strategist, business economist and policy analyst,  
working at the interface of the public, private and voluntary sector.*

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<sup>1</sup> Professionally as

- a strategic management consultant, economist and policy analyst;
  - *it follows on from my work as a B&NES Overview & Scrutiny officer (2008-2010), when amongst other things I initiated, lead and interpreted a cross-party strategic review of the environmental sustainability of buildings agenda;*
- and personally as
- a member of 3 generations of a family living in B&NES;
  - a member of BWCE since 2011;
  - But not a member of any political party.

<sup>2</sup> *Chaired by the Dean of the new Blavatnik School of Government and Professor of Global Economic Governance, Ngaire Woods, as part of Oxford University's September 2014 "Meeting Minds" Alumni weekend.*

<sup>3</sup> *See my "Strategic resource allocation" statement to the July 2012 Resources PDS Panel on this subject.*

<sup>4</sup> *See the thinking embodied in my statement to the January 2013 ECD PDS Panel, urging the Cabinet to work with the River Corridor Group (now the River Regeneration Trust) to unlock the economic, social and environmental potential in this important natural asset.*

<sup>5</sup> *The taskforce, brings together government officials and senior figures from the worlds of finance, business and philanthropy from across the G8 countries, and published its report on 15 September 2014, after a year of grappling with such issues as*

- *how should social impact be measured?*
- *what is an appropriate return on social investment?*
- *what is the role of impact investment in economic development?*
- *how can different corporate forms, governance structures and legal protection be better aligned?*