

**CABINET held at COUNCIL CHAMBER - COUNCIL OFFICES, LONDON ROAD, SAFFRON WALDEN, CB11 4ER, on WEDNESDAY, 23 AUGUST 2023 at 7.00 pm**

Present: Councillor P Lees (Chair)  
Councillors J Evans, N Hargreaves and M Sutton

Officers in attendance: P Holt (Chief Executive), J Etherington (Director of Finance, Revenues and Benefits), B Ferguson (Democratic Services Manager), D Hermitage (Strategic Director of Planning) and A Webb (Strategic Director of Finance, Commercialisation and Corporate Services).

Also Present: Councillors R Freeman (Ward member for Saffron Walden, Castle Ward), N Gregory (Chair of Scrutiny Committee) and G Sell (Leader of the Liberal Democrat Group)

**CAB18 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST**

Apologies were received from Councillors Reeve and Coote as members of Cabinet.

Apologies were received from Councillors Barker and Pavitt as leaders of the opposition groups.

There were no declarations of interest.

**CAB19 REQUEST FROM ASPIRE (CRP) LTD FOR ADDITIONAL FUNDING FOR FURTHER DEVELOPMENT AT CHESTERFORD RESEARCH PARK**

Councillor Evans presented the report regarding the request from Aspire (CRP) Ltd for funding to further develop Chesterford Research Park. He said the request was to facilitate the building of Unit 800 and a solar farm, for which planning permission had already been obtained, and that the Council's partner, Aviva, had committed to the proposal. He said if the Council were not willing to permit additional funding, the Council's percentage of the land holding in the joint venture would be diluted. In regards to the terms of borrowing, the loan would be borrowed on an interest only basis and the funds would be taken in tranches. He asked that the minutes of the Investment Board meeting held on 22 August 2023 be appended to the minutes to evidence that the risks and benefits of the investment had been fully considered. He proposed approval of the recommendations set out in the report.

Councillor Hargreaves seconded the recommendation. He said the valuation of the Council's asset would increase following the proposed works on the park.

For clarity, the Strategic Director of Finance, Commercialisation and Corporate Services said it would be the Director of Finance Revenues and Benefits, not the

S151 Officer, who would have delegated authority to finalise the terms of the loan facility, due to a conflict of interest.

Councillor Sell said he supported Chesterford Research Park but was concerned with the costs of borrowing and the impact on Blueprint Uttlesford.

In response, the Strategic Director of Finance, Commercialisation and Corporate Services said a report would be considered by the Investment Board regarding the pros and cons, and the valuation, of each of the Council's investment assets. He said the cost of the loan for the first three years was £2.3million as set out in paragraph 45 of the report.

The Chief Executive highlighted the use of reserves and said it was not in place solely to fund repayments but also to mitigate against any potential loss of future rental income. He said the reserves would be increased by £1million annually.

In response to a question from the Leader, the Strategic Director of Finance, Commercialisation and Corporate Services said this borrowing would not jeopardise the Housing Revenue Account, nor council house building targets, as the Council would look for alternative means of funding other than the Public Works Loan Board if necessary.

The proposal was approved unanimously.

RESOLVED to:

- I. Approve a new loan facility of up to £21,060,000 be made available to Aspire (CRP) Ltd, to be drawn down in tranches over a period of up to 2 years, subject to Full Council agreeing to make funding available for this purpose;
- II. note the implications of making the loan on the Council's access to Public Works Loan Board, as set out in paragraphs 50 to 57 of the report, and;
- III. delegate authority to the Director of Finance, Revenues & Benefits (in consultation with the Portfolio Holder for Finance and the Economy and the Council's external treasury advisers) to agree the final terms of the loan facility, including the interest rate to be charged (such rate to be no less than 7.5%).

CAB20 **PLANNING AND ENVIRONMENTAL HEALTH ISSUE – ELECTRICITY SUB-STATION, MORTIMER'S GATE, SAFFRON WALDEN**

The Leader said Cabinet would adjourn and reconvene on the rise of the Extraordinary Council meeting scheduled for 24 August to consider the recommendation of Council regarding the environmental health problem at Mortimer's Gate, Saffron Walden.

*The meeting was adjourned at 7.30pm.*

*The meeting was reconvened on 24 August at 8.15pm. Councillors Lees, Hargreaves and Evans were present as members of Cabinet.*

*Councillors Freeman (ward member for Castle Ward, where the sub-station was located), Gregory and Sell were also in attendance.*

The Leader said the meeting had been reconvened following the recommendation of Full Council to fund the Mortimer's Gate remedial works without acceptance of liability. She proposed approval of the recommendation.

Councillor Evans seconded the proposal. He said the Council's view mirrored that of Cabinet members and the administration would ensure planning measures were in place so such a situation could not happen again.

Councillor Sell said he was disappointed with the developer and wondered what could be done to point out to them that the Council was not happy with having to pick up the cost.

Councillor Gregory requested that developer obligations be looked at on an overall level, for instance, the placement of playgrounds in new developments.

Councillor Hargreaves said the developer made no mention of the statutory noise nuisance emanating from the electricity sub-station in their own noise assessment of the site. He said this was not good enough.

The Leader thanked officers and the Chief Executive for bringing this long standing matter to a close. The proposal was approved unanimously.

RESOLVED to agree to fund the remedial works without acceptance of liability up to the cash maximum provided for by Full Council, detailed in appendix C of the report.

*The meeting was closed at 8.25pm.*

# Minute Item CAB19

**INVESTMENT BOARD held at ZOOM - [HTTPS://ZOOM.US/](https://zoom.us/), on MONDAY, 21 AUGUST 2023 at 7.00 pm**

Present: Councillor N Hargreaves (Chair)  
Councillors G Bagnall, J Evans, N Gregory and G Sell.

Officers in attendance: A Webb (Strategic Director of Finance, Commercialisation and Corporate Services), C Gibson (Democratic Services Officer) and N Wittman (Director of Digital Innovation and Commercialisation).

## IB6 **APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST**

In the absence of the Chair, Vice-Chair Councillor Hargreaves took the Chair.

Apologies for absence were received from Councillors N Reeve, McBirnie, Criscione and Richard White (Independent Member).

There were no declarations of interest.

## IB7 **MINUTES OF THE PREVIOUS MEETING**

The minutes of the meeting held on 17 July 2023 were approved.

## IB8 **UDC PROPERTY PORTFOLIO Q1 REPORT 2023/24**

The Chair introduced the item and said that there had been no dramatic changes since the last valuation.

In response to various questions, the Strategic Director of Finance, Commercialisation and Corporate Services said that:

- The lease with MOOG at Tewkesbury had been completed and the tenant had signed up.
- It was currently not viable for the Council to consider acquiring Stane Retail Park Phase 2 but that the door was not yet closed.
- The MTFS had assumed an overall annual interest rate of 4.85% and although current rates of trading between local authorities were between 5.4% and 5.5%, the lower rates earlier in the year meant that overall figures were on target. Further possible interest rate rises of 0.5% had been predicted.
- The net income to the Council prediction for 2023/24 was £4.27m, which had halved since the previous year. The Strategic Director said that he was confident about the predicted figure.
- Around £50m of funding needed to be re-financed over the next few months and this would be from the Local Authority to Local Authority market.
- In terms of risk, the Council prudently set aside £1m per year into a reserve for various purposes such as covering any loss of income from going out of business. However, the quality of all tenants should give additional re-

assurances. The risk of the increased interest rates leading to a reduction in income had been recognised as being in the red with an assessment score of 16.

Views were expressed by Members that it would not be appropriate at the current time to be looking for longer- term interest rates.

The report was noted.

IB9

### **REQUEST FROM ASPIRE (CRP) LTD FOR ADDITIONAL FUNDING FOR FURTHER DEVELOPMENT AT CHESTERFORD RESEARCH PARK**

The Chair introduced the item to consider a request from Aspire (CRP) Ltd for additional funding for further development at Chesterford Research Park. He referred to the funding request of £18.82m for Building 800 and £2.24m for a solar farm.

The Strategic Director declared that he was a Director of Aspire requesting the funds and that the Council would be directly represented by the Director of Finance, Revenues and Benefits at the Cabinet and Council meetings later in the week. He said that planning permission was in place for both developments. There was potentially scope for 10 units to initially act for start-up businesses, with the ability to increase space through moving walls. Calculations had been based on rent of £58.50/ sq ft, but potential revenue was higher; there was a shortfall of science space in Cambridge with rents currently around £67.50/ sq ft. The predicted rental income return was £3.24m per annum. No tenants had yet been lined up but there was great confidence that all proposed units would be taken up.

In response to various questions, the Strategic Director said that:

- There were sufficient funds in reserve to cover an interest-free period with Aspire for three years and that a drawdown schedule would be put in place. Reserves were currently £4m.
- He recognised that there was a need to show what the predicted impact on reserves and any income gap would be and he would ask the Director of Finance, Revenues and Benefits to provide appropriate information.
- The impact on Blueprint Uttlesford was likely to be positive in 2026/27.
- The first refurbishment of other commercial assets was likely to be in 2037.
- The records of start-ups to date at CRP had been excellent; none had failed and there had only been short periods of voids.

Members gave broad support to the proposal; some reservations were expressed about waiting until 2026 for any payback and whether the timing was now right for the development. Members were comfortable with the vibrancy of the market sector and the likely take-up of the units. It was recognised that demand would be high and that biospace companies were likely to have much greater resilience in the medium term, with significant support funds available.

Members agreed the recommendation to support the request when it was submitted to Cabinet for a formal decision, subject to understanding the impact on the reserves fund to be detailed by Finance officers. The feedback to Cabinet would be given by Councillor Evans, as the Chair was the Portfolio Holder for that area.

*Meeting closed at 7.53 pm.*