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**INVESTMENT BOARD held at COMMITTEE ROOM - COUNCIL OFFICES,
LONDON ROAD, SAFFRON WALDEN, ESSEX CB11 4ER, on MONDAY, 25
NOVEMBER 2019 at 5.00 pm**

Present: Councillors G Bagnall, C Criscione, P Fairhurst, N Hargreaves,
A Khan, P Lavelle, G LeCount, J Lodge, R Pavitt, N Reeve and
G Sell

Officers in attendance: R Auty (Assistant Director - Corporate Services), A Webb
(Director - Finance and Corporate Services) and N Wittman
(Assistant Director - ICT and Facilities)

Also present: Councillor A Gerard

IB14 **ELECTION OF CHAIR**

Councillor Lodge said that a Chair for the Investment Board would be appointed at the following evening's Cabinet meeting, so he suggested he would carry on in the Chair for this meeting.

AGREED to appoint Councillor Lodge as the Chair of the
Investment Board for the meeting on 25 November 2019.

IB15 **MINUTES OF THE PREVIOUS MEETING**

Members discussed the benefits of matters arising being included on the agenda. The Chair reminded members that a decision had previously been taken not to include matters arising on any agenda. He said while he felt somewhat frustrated by this, the matter had been discussed at length previously.

In response to a member question, the Chair confirmed he would be putting himself forward to be permanent Chair of the Investment Board but would be relinquishing Chairmanship of the Planning Policy Working Group.

IB16 **CONFIRMATION OF INTERVIEW PANEL**

The Chair brought this item forward on the agenda. He said due to the political changes in the Council, there was now a situation where the Administration group was in the minority on the Interview Panel for the Independent Members and Non-Executive Directors. He therefore proposed replacing Cllr Fairhurst with Cllr Lavelle.

Cllr Fairhurst said it depended what the Chair wanted to achieve. If he wanted a Board that supported the Administration view then it was the right thing; if he wanted a Board that was balanced and objective then it probably was not. He said he was happy to abide by the decision but the message it sent was clear.

Cllr Sell said the main opposition group was not represented at all and the independents, who were the smallest group, were.

The Chair said the Administration had been generous in spreading roles around the groups and pointed to the Climate Change Working Group, which he said had excessive Green representation.

AGREED that Councillor Lavelle would replace Councillor Fairhurst and join Councillor Lodge and Councillor Pavitt on the interview panel.

Councillor Fairhurst announced his resignation from the Investment Board and left the meeting along with Councillor Gerard.

IB17 **ASPIRE (MRH) LTD - NON-EXECUTIVE DIRECTOR ADVERTISEMENT AND TIMETABLE**

The Assistant Director – ICT and Facilities introduced the report.

Members expressed views that the advertisement wording could be improved and may not necessarily attract the calibre of applicant the Board was looking for. The advertisement needed to be clear that the Council was looking for someone who has already done similar work at a board level.

In response to a member question, the Assistant Director – ICT and Facilities said she would circulate the role descriptor and person specification.

The Director of Finance and Corporate Services said when the Council previously advertised for Non-Executive Directors, very similar wording was used and the advertisement attracted more than 50 applicants. Many people wanted to use such an opportunity to improve their CV and it was unlikely the annual payment offered would put applicants off.

The Director of Finance and Corporate Services said officers would revisit the advertisement wording and circulate it by email to Board members.

IB18 **INVESTMENT BOARD - INDEPENDENT MEMBERS ADVERTISEMENT AND TIMETABLE**

Members considered the wording of this advertisement to be better although again requested sight of the role descriptor and person specification. The Director of Finance and Corporate Services agreed some wording relating to a specific investment should be removed.

In response to a member question, the Director of Finance and Corporate Services said the Independent Members would not have voting rights on the Board.

IB19 COMMERCIAL STRATEGY UPDATE

The Director of Finance and Corporate Services gave a summary of the report, highlighting the areas which had been updated since the previous meeting. These included additional paragraphs covering the legislative and legal framework and risk management. He said the Commercial Strategy was scheduled to go to the next Full Council meeting.

Councillor Khan said he still thought the Strategy was wide of the mark and questioned where the vision was of where the Council was going to take commerciality as a whole. On a point regarding whether it was an Investment or Commercial Strategy, the Director of Finance and Corporate Services said it had deliberately been called a Commercial Strategy to avoid confusion with treasury management, which dealt with day-to-day investment.

Members discussed staffing levels with regard to the Council's commercial work. The Director of Finance and Corporate Services said officers used expert professional advice, for example solicitors and land agents, as required and suggested that should staffing be increased, a lower level resource might be of more benefit than a new managerial post.

The Chair said it was apparent that the Liberal Democrat members of the Investment Board had strong views and invited them to crystallise those views into a paper to be presented to the next Investment Board meeting, which could be considered in light of the council's new corporate strategy.

The Chair proposed the Strategy be accepted in its current format, subject to additional wording covering the risk management framework.

In response to a member question regarding regular reviews of the Strategy, the Director of Finance and Corporate Services said the Strategy would need to be approved annually so would be going to Full Council in February 2020 as well as in December 2019.

AGREED to accept the Commercial Strategy, subject to the addition of wording regarding the Risk Management Framework, and recommend approval to Council.

IB20 EXCLUSION OF THE PUBLIC AND PRESS

AGREED that under section 100I of the Local Government Act 1972 the public be excluded for the following item of business on the grounds that it involved the likely disclosure of exempt information as defined in paragraph 3 part 1 of Schedule 12A of the Act.

IB21 MINIMUM REVENUE PROVISION (MRP)

The Director of Finance and Corporate Services provided a brief explanation of Minimum Revenue Provision and highlighted the key points in the report.

Councillor Bagnall asked a question about housing versus commercial land value. It was agreed that a “worst case” scenario would also be calculated.

The Board noted the report.

IB22 **INVESTMENT OPPORTUNITY 2**

The Director of Finance and Corporate Services summarised the report. He said the recommendation regarding funding of the purchase costs would be changed due to recent advice received and that they would instead be capitalised.

Members asked questions around contingency plans in the event of tenant failure and about the funding model for the purchase. Interest rates and inter-authority borrowing were discussed.

The interest/repayment split was considered to be the most important issue to resolve. Members were informed that whatever the split they decided on, it could be changed at very short notice.

It was noted that the Phase 2 purchase price may increase depending on the tenants secured.

Councillor Khan requested the confidential QC advice received by officers was circulated to members of the Investment Board.

AGREED to recommend to Cabinet:

- a. That the purchase as set out in the report is agreed; and
- b. That the purchase is to be funded 80% interest only and 20% on a repayment basis.
- c. The intention to recommend in the future that the Council exercise the pre-emption option, subject to due diligence.
- d. That the purchase is made as a direct investment by Uttlesford District Council.
- e. That the purchase costs as set out in paragraph 44 of the report are capitalised.

The meeting ended at 6.55pm.