

**INVESTMENT BOARD held at ZOOM on THURSDAY, 21 JANUARY 2021 at 5.00 pm**

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

Independent Member: R White

Officers in attendance: C Gibson (Democratic Services Officer), A Webb (Director - Finance and Corporate Services) and N Wittman (Assistant Director - ICT and Facilities)

**IB29 ELECTION OF A CHAIR**

Councillor Reeve, as the Portfolio holder, was nominated and seconded as Chair. There was no dissent.

AGREED to appoint Councillor Reeve as the Chair of the Investment Board.

**IB30 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST**

Apologies for absence were received from Councillor Bagnall and Cathy Crick, Independent Member.

There were no declarations of interest.

**IB31 MINUTES OF THE PREVIOUS MEETING**

The minutes of the meeting held on 22 December 2020 were corrected to show that Councillor Criscione had not been in attendance. The minutes were then approved and would be signed by the Chair as a correct record at the next opportunity.

**IB32 COMMERCIAL STRATEGY 2021 TO 2025**

The Director – Finance and Corporate Services said that the intention was for the Commercial Strategy 2021 to 2025 document to be considered by the Investment Board and then move forward to the Scrutiny Committee, then on to Cabinet and finally to Council.

He stated that the following amendments needed to be made to the document:

- Paragraph 4 to read “that they proposed to address the shortfall primarily through investments”.
- Paragraph 13 to be removed.

- Paragraph 15 to read “Completion is due in the late autumn of 2021”.
- Paragraph 17 to add an additional sentence that “Dick White Referrals has also joined Linnaeus Group which is part of the Mars Veterinary Health Group.”
- Paragraphs 22 and 24 should refer to “Stane Retail Park” rather than “Staine Retail Park”.

The Director – Finance and Corporate Services said that the Commercial Strategy had been prepared in accordance with Government standard format requirements. He provided a summary of the draft Commercial Strategy. He detailed:

- The intention for the Council to be self-sufficient by the 2024/25 financial year.
- The current portfolio.
- The Investment Fund. The strategy had set out an investment fund requirement of £300 million that was close to being met.
- A position statement in respect of Investments 2, 7 and 12 and the portfolio moving forward.
- Performance reporting arrangements.
- The Investment Protocol that required developments, including an Ethical Investment Policy.
- Security, liquidity and yield arrangements in order to underpin core services, not for yield.
- The high level risks, recognising that borrowing rates were currently at a very low level.
- The Council’s own good governance arrangements in place in respect of investments.

In response to various Members’ questions, the Director – Finance and Corporate Services said that there was a need to be careful when defining “core services” in reference to yield considerations. He provided an update on Investment Opportunity 7 and said that the Council was in a position to meet the proposed timetable. He also provided an update on investments at Chesterford Research Park and the possibilities that existed there for smaller businesses alongside the “Science Village” building.

Councillor LeCount welcomed the report and asked whether this was an opportunity to get some good publicity in respect of the Council’s investments. Members urged caution on this matter at this time but recognised that alternative good publicity could be gained through the positive scientific works being undertaken at Chesterford Research Park.

The Chair accepted Councillor LeCount’s offer to join the group that was taking forward the Ethical Investment Policy. No other Members indicated that they wished to join the group.

Councillor Pavitt suggested that in Paragraph 14 of the Commercial Strategy the word “sale and leaseback” should be replaced by the word “purchase” to provide for a better understanding.

Following some discussion about the need to include in the strategy that the Council did look for local investment opportunities, Councillor Khan said that he recognised that the Council did indeed look for local investment opportunities; he also said there should be reference to ethical investments, the amount of income raised to date from investments and the possibility of investment skills training.

The Chair said that he saw no reason why historical actual figures could not be detailed.

Councillor Hargreaves said that local investments currently amounted to around one-third of the portfolio and there was a need to diversify investments outside of the Uttlesford district. He said that he was pleased that there were standard headings in the Commercial Strategy as this made it easy to make comparisons with those of other councils. He also referred to a solar farm at Chesterford Research Park that would allow the Council to achieve green potential.

*The Leader left the meeting at 6.06 pm.*

The Director – Finance and Corporate Services confirmed that the solar farm would be going ahead and would serve half of the tenants but that the Grid did not want any excess power generated.

Councillor Criscione made reference to investment for yield and matters such as reserving the right to back out of investments. He praised Councillor Reeve for his work. He said that asset management costs had not been referred to in the strategy and that the Council needed to properly reflect best value in asset management costs. He also said that any wording in respect of ethical investments needed to be carefully considered and made reference to animal testing.

The Chair confirmed in respect of yield that the Council would be alert to making any investment changes if necessary.

Richard White, Independent Member, said that he considered that the Council now had a portfolio of good long-term investments and that investment in property was safe; in the longer term there was a need for an asset level forward looking plan. He said that he supported an additional comment in the strategy that local investment possibilities in Uttlesford had been considered. He also said that there were significant advantages to be gained from further investment in Chesterford Research Park in as much as the cost of the land was effectively free and extra revenue could be created.

Councillor Sell confirmed that this supported his views in favour of inward local investments.

The Chair said that he recognised that local investment could provide a double dividend. He said that, provided points raised in the meeting were taken on board, the Commercial Strategy 2021 to 2025 would move forward for future consideration by Scrutiny Committee.

There was no dissent.

*The meeting closed at 6.26 pm.*