

**INVESTMENT BOARD held at ZOOM, on TUESDAY, 27 JULY 2021 at 5.00 pm**

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

Indep.  
Member: R White

Officers in Attendance: C Edwards (Democratic Services Officer) and A Webb (Director – Finance and Corporate Services)

**IB1 ELECTION OF A CHAIR**

Councillor Reeve, as the Portfolio Holder for the Economy and Investment, was nominated and seconded as Chair. There was no dissent. It was agreed that he would remain as Chair for the rest of the Committee year.

AGREED to appoint Councillor Reeve as the Chair of the Investment Board for the rest of the Committee year.

**IB2 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST**

Apologies for absence were received from Councillors Lavelle and Lodge; it was noted that Cathy Crick had stepped down as an independent member and a replacement would need to be found.

Councillor Bagnall declared a non-pecuniary interest as Ward Member for Takeley.

Councillor Pavitt declared a non-pecuniary interest as Ward Member for Littlebury, Chesterford and Wenden Lofts.

Councillor Criscione said he wished to declare that his company had had been instructed to work on a planning application for a solar farm in Uttlesford but not the one in Agenda item 10.

**IB3 MINUTES OF THE PREVIOUS MEETING**

The minutes of the meeting held on 21 January 2021 were approved.

**IB4 UDC PROPERTY PORTFOLIO Q4 REPORT**

The Director – Finance and Corporate Services gave a summary of the Property Portfolio Q4 Report that set out the quarterly performance for the Council.

He highlighted the following: -

- The Chesterford Retail Park valuation had gone up and had now exceeded the Council's financial investment.
- Building 300 works were due for completion next month.
- A planning application from Western Homes for the land beside the current site in Takeley had been submitted and the application would be followed to ensure that the Council's interests were not compromised.
- The Veterinary practice in Scotland had changed ownership but Pets at Home remained as the Lease Guarantor.
- XPO Logistics had taken over Waitrose distributions, but it did not affect the Lease which remained the responsibility of Waitrose.
- The asset valuation on page 8 of the report did not yet reflect the true value as a number of the assets were forward funding and therefore their value was only partly accounted for.

In response to questions from Members the Director – Finance and Corporate Services made the following points: -

- The Nucleus showed a minus figure because it was a cost; the restaurant and meeting room facilities ran at a loss as the Park provided these facilities to occupants as part of their agreements.
- The Nucleus was hired out to tenants and members of the public for entertainment purposes but was constrained by security implications.
- He agreed to provide a breakdown of the Estate Service Shortfall.
- It did not matter that some of the floors were empty at the Veterinary practice as it had no financial implication to the Council because the lease agreement was for the whole building.
- The insurance on the Waitrose Distribution Centre had been paid. R White agreed to send a note of the two main commercial insurers he has contact with.
- The extra 2 acres of undeveloped land within the Waitrose lease could provide a future opportunity to build another commercial unit.
- The borrowing limits varied due to a number of factors including the length and type of loan, for example, repayment versus interest only.
- The Local Authorities, as lenders, could not ask for their money back early as they were tied to a contract for the duration of the loan. Due diligence was carried out for each loan before they were entered into.

Councillor Khan said that the only risk missing from the list was the risk of a pandemic or an act of God.

Further to a comment made by R White, the Director – Finance and Corporate Services said he would be compiling a business plan for each asset over the next few months.

*Councillor De Vries joined the meeting at 5:20pm.*

IB5

## **ETHICAL INVESTMENT POLICY**

The Chair introduced the report and thanked Councillor Khan for his help in producing the policy.

In response to Members questions the Chair made the following points: -

- The policy was forward looking and therefore would not be used retrospectively for current tenants.
- The policy covered the United Nations principle of defence responsibility through the monitoring of the way the military was used to ensure they were not complicit in human rights abuses.
- The list of exclusions was discussed and whether it should be kept in the document or removed.
- The document would need to be reviewed regularly.

Councillor Sell suggested a concise summary at the beginning to set out what the Council's ethical code of practice was by using a statement he had found from Keele University.

The Director – Finance and Corporate Services said that the document should not be held up by any amendments made to the summary at this stage. He suggested that the wording could be looked at in a first review and the Keele University statement could be incorporated at that point.

The Chair agreed but asked for the list of exclusions to be removed from the document.

The Investment Board showed its overall support for removing the exclusions by a show of hands, 5 in favour of removal and 3 against.

AGREED that the report would be recommended to Cabinet with the list of exclusions removed but with a covering note to explain what they were and why they had been removed.

*Councillor Bagnall left the meeting at 6:10pm*

IB6

## **LITTLE CANFIELD BUSINESS PARK**

The Director – Finance and Corporate Services gave a summary of the report that set out the financial position for the Little Canfield Business Park and sought funding to enable the commercial element to be rented out.

In response to a question from Councillor De Vries, the Director – Finance and Corporate Services said that the impact on the neighbouring properties would be considered when tenants were selected. He said that new tenants would have fewer vehicles and that it would be a stipulation of the tenancy that vehicles would not be allowed to turn right out of the site.

AGREED that Members of the Investment Board recommend to Cabinet that: -

- a. The sum of £7,500,000 be allocated to the commercial element of the Little Canfield Business Park project from the £300 million commercial fund; and

- b. The funding should be split on an 80% interest only and 20% repayment funding basis.

*Councillor Hargreaves left the meeting at 6:40pm*

## IB7 **INDEPENDENT MEMBERS**

The Director – Finance and Corporate Services gave a summary of the report that set out the current position with regards to the vacancy on Aspire (CRP) Ltd and the Investment Board.

He suggested that a panel be appointed of three members from the Investment Board to interview and recommend to Cabinet suitable candidates to take on the roles. He recommended to the Board that Richard White and Alan Jones (the non-Executive Director for Aspire (CRP) Ltd) should also be involved in the process.

The Director – Finance and Corporate Services said that the Board did not need to decide the panel members at this meeting but just the general principle of the process.

AGREED that Members would appoint three Investment Board councillors to form the interview panel for both roles.

## IB8 **EXCLUSION OF PUBLIC AND PRESS**

The Chair proposed the exclusion of the public and press and Councillor Sell seconded the motion.

AGREED that under section 1001 of the Local Government Act 1972 the public be excluded for the following items 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.

## IB9 **ASSETS UNDER DEVELOPMENT - UPDATE**

The Director – Finance and Corporate Services gave a summary of the report that set out the current position on the four assets under development.

He highlighted the following points: -

- The distribution centre at Gloucester was still on track and should be accepted by Amazon on 1 November 2021.
- Extra funding of £2.5m had been agreed for the Tewkesbury site and was on track for completion by May 2022.
- Stane Retail Park Phase 1 was on track to complete by 20 September 2021 for Aldi and B&Q.

- Building 300 would be completed next month; all the units had been let and the Park overall was 99.9% let.

In response to a question from Councillor Criscione, the Director – Finance and Corporate Services said there would be a final quality check of the works carried out before it was handed over.

Members noted the report.

IB10

## **FUTURE ASSET ACQUISITION AND DEVELOPMENTS**

The Director – Finance and Corporate Services gave a summary of the report that set out the current position on one potential acquisition site and further development at Chesterford Research Park.

He highlighted the following points: -

- A retailer had agreed to take the lease of 4 units at the Stane Retail Park phase 2; other discussions were taking place.
- Building 800 would be the second biggest building on the Park with another 16 units of approximately 5,000 sq. ft. each. It would take 2 years from design to finished build.
- The Solar Green Energy hub would provide a solar farm capable of meeting 90% of the business requirements.

Councillor Pavitt said the Solar Farm was a contentious issue as there were a lot of applications coming through the district for these farms. He agreed with the Director – Finance and Corporate Services that this was mitigated in this case by the fact that the Solar Farm would serve the Park and would not be solely aimed at making a profit through selling to the grid.

Members noted the report.

*The meeting closed at 7:10pm.*