

**Committee:** Investment Board  
**Title:** Commercial Strategy 2022 - 2027  
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## Summary

1. The Commercial Strategy 2022 – 2027 is presented for comment ahead of it going to Cabinet for approval and Council for adoption. The Investment Board has the opportunity to question, amend, endorse the strategy ahead of its progress alongside the budget reports to adoption on 22 February 2022.

## Recommendations

2. It is recommended that Members endorse the Strategy, subject to any agreed amendments.

## Financial Implications

3. All financial implications are built into the 2022/23 budget and the five year MTFS

## Background Papers

4. The following papers were referred to by the author in the preparation of this report and are available for inspection from the author of the report.

None

## Impact

Communication/Consultation	The strategy aligns with the 2022/23 budget the basis of which was subject to public consultation in Autumn 2021
Community Safety	None
Equalities	None
Health and Safety	None
Human Rights/Legal Implications	None
Sustainability	The strategy enables the Council to remain sustainable over the medium term
Ward-specific impacts	None

Workforce/Workplace	None
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## Situation

5. The Commercial Strategy 2022 -2027 has been written to reflect the changes announced regarding Minimum Revenue Provision (MRP) and the Prudential Code (The Code).
6. Combined the changes have significant impact on both the future commercial plans for the Council and the financial position ongoing.
7. The changes on MRP and The Code are set out in paragraphs 6 – 8 of the attached Strategy.
8. It should be noted that the changes to The Code do not result in the requirement for the Council to sell any assets either now or in the future.
9. In light of the changes there are now seven key elements to the future of the commercial portfolio
  - a. There will be no new commercial investments.
  - b. Subject to (d) and (e) below, The portfolio, as set out in this document is therefore complete. Of the £300 million allocated in 2020 to building the fund, £275,565,000 (£275 million) has been used.
  - c. MRP will be applied on an annuity basis over the life of each asset.
  - d. As the Council already owns, through Aspire (CRP) Ltd, the land at Chesterford Research Park it will continue to develop the asset to maximise its value.
  - e. As the Council already owns 46% of Stane Retail Park, which includes all of the public car parking, link roads and other shared elements for the entire site, it will evaluate the option of acquiring the rest of the asset to maximise the value of the already owned part. This would be done on the basis that the sum of the whole is worth more than the sum of the constituent parts.
  - f. The portfolio will be reviewed on a regular basis to determine the requirements of the Council and the appropriateness of retaining or selling each asset.
  - g. The Council will look to maintain the commercial asset portfolio at an investment level of no more than £275 million. However, it should be noted that investments may need to take place ahead of sales which could temporarily increase that number.

## Risk Analysis

10. Risks are identified within the Strategy.