

INVESTMENT BOARD held at ZOOM on WEDNESDAY, 29 JUNE 2022 at 6.00 pm

Present: Councillor N Hargreaves (Chair)
Councillors G Bagnall, C Criscione, G LeCount, G Sell and J De Vries

Officers in attendance: A Webb (Director - Finance and Corporate Services) and C Gibson (Democratic Services Officer).

Councillor Hargreaves took the Chair in the absence of Councillor Reeve.

IB1 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

Apologies for absence were received from Councillors Khan, Lodge, Pavitt and Reeve.

There were no declarations of interest.

IB2 MINUTES OF THE PREVIOUS MEETING

The minutes of the meeting held on 2 February 2022 were approved.

IB3 UDC PROPERTY PORTFOLIO Q3 & Q4 REPORT 2021/22

The Director of Finance and Corporate Services presented the Property Portfolio Q3 and Q4 report of 2021/22. The report covered two quarters as there had been a delay in getting revised valuation figures for the building plots at Chesterford Research Park.

He outlined the reported positions in March 2022 re:

- Chesterford Research Park – 100% of rent due had been received, void rate was 0.14% and the current valuation £208m, showing a potential profit of £43.5m to the Council.
- Skyway House – Weston Homes currently had 180 staff in the building, which was below capacity.
- Livingston – the tenant was looking to spend £8m - £10m on a Teaching Hospital. The car park had also been improved.
- Waitrose Distribution Centre – negotiations were on-going for a rent increase from April 2022.
- Stane Retail Park – both Aldi and B&Q had been very happy with the arrangements in place.
- Amazon Distribution Centre – the lease had been completed on 18 March 2022.
- Tewkesbury – completion was now expected in September 2022.

The Director outlined the asset valuations as at March 2022 showing at £294.6m; it was noted there had been very significant increases in valuations between September and December 2021. The Chair highlighted the importance of having a balanced portfolio.

In respect of future asset acquisitions, the Director – Finance and Corporate Services said that Councils could continue to invest in commercial assets where it was done so as to increase the value of an existing asset. He said that on that basis, the Council would continue to take forward Stane Retail Park Phase 2. He expected to receive a proposal from the developer in September/ October 2022.

The Director – Finance and Corporate Services summarised the external funding arrangements as at 31 May 2022 as detailed on page 26 of the report. He said the current borrowing rate amongst local authorities was around 1% but that the Government had concerns in respect of short-term borrowing. He said that he was therefore considering the possibility of taking out a 10 year loan with the PWLB.

He also highlighted the change in Reputation risk 21-IB-05 in that Stane Retail Park was the East of England winner in the Commercial Property category of the Royal Institute of Chartered Surveyors (RICS) UK and that the scheme was going forward to the national finals in the Autumn. He said there would be an ideal chance to publicise the successes around Stane Retail Park at the time of the RICS awards.

Members congratulated the Director – Finance and Corporate Services for showing considerable foresight in taking up the opportunities at Stane Retail Park.

The Director summarised the Portfolio as detailed on page 31 of the report. He said that the Portfolio yield of 4.81% would increase to 4.82%.

Members noted the report.

IB4 CHESTERFORD RESEARCH PARK - FUTURE DEVELOPMENT UPDATE

The Director of Finance and Corporate Services summarised his report which set out progress on a number of projects that would initially be funded from the remaining available funding of £14,474,000.

He outlined the latest situation re:

- Building 800 – BREEAM had provided an Excellent rating.
- Solar Green Energy Hub – indicative timetable slippage had occurred due to delays over the S106 Agreement.
- Building 1100/1200 – this will be brought to Planning Committee and Members stressed the need for presentations in advance.

The Chair again stressed the importance of maintaining a balanced Portfolio of around £300m.

Members recognised the significant size of the site at 260 acres and the great potential in moving forward; also given that census figures showed a significant increase in numbers. It was noted that the Council might look to sell one of its assets in order to secure sufficient funds to move forward on other projects.

Members supported the current projects being undertaken, and agreed, subject to individual business cases, as appropriate, to support the ongoing park development programme.

IB5

INDEPENDENT MEMBERS

The Director of Finance and Corporate Services presented the report that set out the current position with regards to the independent members vacancies on Aspire (CRP) Ltd and the Investment Board.

The report recommended that Members appointed three councillors to form the interview panel for the vacancies on Aspire (CRP) Ltd and the Investment Board.

Members discussed this issue and recognised that the Independent Members would also be involved in the recruitment process. Councillor Sell then nominated Councillors Reeve, LeCount and Pavitt as the three councillors. This was seconded by Councillor Criscione and the nominations were agreed.

Members thanked the Director – Finance and Corporate Services and the Assistant Director – ICT and Facilities for all their hard work.

Meeting closed at 7.30 pm