

**INVESTMENT BOARD held at MICROSOFT TEAMS, on MONDAY, 20
FEBRUARY 2023 at 6.00 pm**

Present: Councillor N Reeve (Chair)
Councillors G Bagnall, N Hargreaves, A Khan, G LeCount,
J Lodge, R Pavitt and G Sell

Independent
Person: R White

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

IB13 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

Apologies for absence were received from Councillors De Vries and Lavelle.

There were no declarations of interest.

IB14 MINUTES OF THE PREVIOUS MEETING

The minutes of the meeting held on 19th January 2023 were approved.

IB15 UTTLESFORD PROPERTY PORTFOLIO QUARTER 3 REPORT

The Director of Finance and Corporate Services introduced the Property Portfolio report for Quarter 3 of 2022/23.

Members discussed the quarterly valuation of the Council's property portfolio, which valued the assets at approximately £269m, or £168m without Aspire (CRP) Ltd. It was highlighted that this valuation was less than the total amount that had been paid to acquire them. The Director of Finance and Corporate Services explained that the latest valuation was deflated as it had only taken into account the value of the MOOG HQ buildings, and not the lease which was due to be signed after the completion of the development in April 2023. There was an agreement in place for the lease, to ensure that it would be signed.

In response to further questions on the portfolio valuation, the following matters were clarified:

- The main message coming from CBRE, the Council's external valuers, was that the market was still adjusting to the higher interest rates, however the number of bidders in the market was increasing.
- The valuation was not currently of major significance as the council bought the investments for their annual rental income not capital gain. There were no plans to sell portfolio items at the current time.

- The revenue generated from the assets had no relationship to the value of the buildings as rents were set and tied in most cases to inflation.
- Under the changes in Government and CIPFA policies, there was no obligation for the Council to sell any of their assets, but they were now prohibited from acquiring new assets. The Council were permitted, however, to continue to borrow and invest in order to maximise the value of their existing assets. This approach was ultimately agreed with the government, as evidenced by the ability of the Council to obtain the PWLB loans.

Members discussed the financing which was coming up for maturity in 2023. Officers felt that whilst interest rates had peaked in the market, they would be unable to secure borrowing at previous rates of between 1% and 2%. This had subsequently been factored into the upcoming Council budget which forecasted interest rates of 4%.

The report was noted.

Councillor Hargreaves left the meeting at 18:27 and Councillor Pavitt left the meeting at 18:30

Meeting ended at 18:34