

INVESTMENT BOARD held at ZOOM - [HTTPS://ZOOM.US/](https://zoom.us/), on MONDAY, 21 AUGUST 2023 at 7.00 pm

Present: Councillor N Hargreaves (Chair)
Councillors G Bagnall, J Evans, N Gregory and G Sell.

Officers in attendance: A Webb (Strategic Director of Finance, Commercialisation and Corporate Services), C Gibson (Democratic Services Officer) and N Wittman (Director of Digital Innovation and Commercialisation).

IB6 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

In the absence of the Chair, Vice-Chair Councillor Hargreaves took the Chair.

Apologies for absence were received from Councillors N Reeve, McBirnie, Criscione and Richard White (Independent Member).

There were no declarations of interest.

IB7 MINUTES OF THE PREVIOUS MEETING

The minutes of the meeting held on 17 July 2023 were approved.

IB8 UDC PROPERTY PORTFOLIO Q1 REPORT 2023/24

The Chair introduced the item and said that there had been no dramatic changes since the last valuation.

In response to various questions, the Strategic Director of Finance, Commercialisation and Corporate Services said that:

- The lease with MOOG at Tewkesbury had been completed and the tenant had signed up.
- It was currently not viable for the Council to consider acquiring Stane Retail Park Phase 2 but that the door was not yet closed.
- The MTFS had assumed an overall annual interest rate of 4.85% and although current rates of trading between local authorities were between 5.4% and 5.5%, the lower rates earlier in the year meant that overall figures were on target. Further possible interest rate rises of 0.5% had been predicted.
- The net income to the Council prediction for 2023/24 was £4.27m, which had halved since the previous year. The Strategic Director said that he was confident about the predicted figure.
- Around £50m of funding needed to be re-financed over the next few months and this would be from the Local Authority to Local Authority market.
- In terms of risk, the Council prudently set aside £1m per year into a reserve for various purposes such as covering any loss of income from going out of business. However, the quality of all tenants should give additional re-

assurances. The risk of the increased interest rates leading to a reduction in income had been recognised as being in the red with an assessment score of 16.

Views were expressed by Members that it would not be appropriate at the current time to be looking for longer- term interest rates.

The report was noted.

IB9

REQUEST FROM ASPIRE (CRP) LTD FOR ADDITIONAL FUNDING FOR FURTHER DEVELOPMENT AT CHESTERFORD RESEARCH PARK

The Chair introduced the item to consider a request from Aspire (CRP) Ltd for additional funding for further development at Chesterford Research Park. He referred to the funding request of £18.82m for Building 800 and £2.24m for a solar farm.

The Strategic Director declared that he was a Director of Aspire requesting the funds and that the Council would be directly represented by the Director of Finance, Revenues and Benefits at the Cabinet and Council meetings later in the week. He said that planning permission was in place for both developments. There was potentially scope for 10 units to initially act for start-up businesses, with the ability to increase space through moving walls. Calculations had been based on rent of £58.50/ sq ft, but potential revenue was higher; there was a shortfall of science space in Cambridge with rents currently around £67.50/ sq ft. The predicted rental income return was £3.24m per annum. No tenants had yet been lined up but there was great confidence that all proposed units would be taken up.

In response to various questions, the Strategic Director said that:

- There were sufficient funds in reserve to cover an interest-free period with Aspire for three years and that a drawdown schedule would be put in place. Reserves were currently £4m.
- He recognised that there was a need to show what the predicted impact on reserves and any income gap would be and he would ask the Director of Finance, Revenues and Benefits to provide appropriate information.
- The impact on Blueprint Uttlesford was likely to be positive in 2026/27.
- The first refurbishment of other commercial assets was likely to be in 2037.
- The records of start-ups to date at CRP had been excellent; none had failed and there had only been short periods of voids.

Members gave broad support to the proposal; some reservations were expressed about waiting until 2026 for any payback and whether the timing was now right for the development. Members were comfortable with the vibrancy of the market sector and the likely take-up of the units. It was recognised that demand would be high and that biospace companies were likely to have much greater resilience in the medium term, with significant support funds available.

Members agreed the recommendation to support the request when it was submitted to Cabinet for a formal decision, subject to understanding the impact on the reserves fund to be detailed by Finance officers. The feedback to Cabinet would be given by Councillor Evans, as the Chair was the Portfolio Holder for that area.

Meeting closed at 7.53 pm.