

# INVESTMENT BOARD

TUESDAY, 16 MARCH 2021 - 2.00 PM



**PRESENT:** Councillor C Boden (Chairman), Councillor I Benney (Vice-Chairman) and Councillor S Tierney

**OFFICERS IN ATTENDANCE:** Amy Brown (Chief Solicitor and Deputy Monitoring Officer), Peter Catchpole (Corporate Director and Chief Finance Officer), Neil Krajewski (Deputy Chief Accountant), Simon Machen (Interim Corporate Director), Paul Medd (Chief Executive), Carol Pilson (Corporate Director and Monitoring Officer) and Justin Wingfield (Head of Business & Economy)

## **IB13/20**      **PREVIOUS MINUTES**

The public minutes of the meeting held 12 January 2021 were approved.

## **IB14/20**      **RESIDENTIAL PROPERTY INVESTMENT**

Members considered the Residential Property Investment report presented by Peter Catchpole.

Members made comments, asked questions and received responses as follows:

- Councillor Benney said there is a reason why many impaired properties are not in use so how would we secure them if we do want to buy them, particularly where we have struggled to find the owners of various dilapidated properties. Furthermore, apart from the purchase cost, there will be a great cost to bring the bad ones back into use and this then falls under regeneration rather than investment. We cannot make people sell so, short of compulsory purchase, what approach would be taken to acquire such properties as they would already be on the market if their owners did want to sell them.
- Councillor Boden responded that potentially there are a number of properties within the scope of this policy which need either renovation or significant repairs and renewal. He agreed with Councillor Benney that the only purpose to purchase any of these will be to generate revenue, therefore we need to concentrate upon their revenue generation potential. Some of the properties are on the open market or available at auction. He agreed that there would have to be a view towards the total costs involved and the revenue to be gained from it and that is why the protocol established is key. There is also the prospect of opportunities with leasehold enfranchisement. More properties are available on the market now with 60 years or more left to run because so many with 99-year leases were available in the 1980s, but once a lease starts running down it becomes more difficult to obtain a mortgage. However, the process is not complicated, and we may be in a stronger position to move forward on these and can take a longer-term view than private investors or individuals. A third source of impaired properties is through contact with the owners of properties that have been empty for some time. A levy of significant multiples of council tax on such properties provides a financial incentive to encourage owners to bring them back into use. Therefore, there are properties out there for potential investment.
- Councillor Benney stated that he was still concerned about renovation costs and reiterated that we are an Investment Board but the business of bringing derelict properties back into good repair is regeneration, which is a Council responsibility. Furthermore, although there may be an option to extend a lease, buying a property on a short lease means you are

buying a depreciating asset. Therefore, in the strong position we are in, having cash ready to buy, then buying freehold seems the better option. However, each case needs to be looked at on its own merit and he would like to see some early results to ensure that it is worth the effort.

- Councillor Boden said that he understood Councillor Benney's concerns and agreed this is not meant to be a regeneration project, but it is an investment project and will be evaluated as such.
- Councillor Boden said he knew that Cambs County Council had received agreement to substantial funding from the Public Works Loan Board (PWLB) for future schemes yet to be decided and asked Peter Catchpole if there is the facility for a council of our size to approach the PWLB for potential agreement to funding for this project and other future qualifying schemes. Peter Catchpole said there are lot of challenges to the rules being made in respect of the PWLB and officers are keeping a watching brief on it, but he will contact County and follow up on that.

**The Investment Board AGREED to:**

- **Maintain a watching brief to identify such opportunities if this direction is followed;**
- **Establish an Outline Business Case process to evaluate any such opportunities;**
- **Request a full business case on each potential acquisition when identified;**

**and AGREED**

- **That this should be delivered through Fenland Future Ltd and ask the Board of Directors to update their Business Plan accordingly.**

**IB15/20      DRAFT 6 MONTH FORWARD PLAN**

Members noted the Investment Board Forward Plan provided for information purposes.

**IB16/20      NENE WATERFRONT UPDATE (CONFIDENTIAL ITEM)**

Members considered the confidential verbal Nene Waterfront update report provided by Justin Wingfield and Simon Machen.

**The Investment Board AGREED to note the confidential verbal update provided on Nene Waterfront.**

**IB17/20      HOUSING DEVELOPMENT OPPORTUNITY (CONFIDENTIAL ITEM)**

Members considered the Housing Development Opportunity update verbal report provided by Justin Wingfield.

**The Investment Board AGREED to note the confidential verbal update on a Housing Development opportunity.**

**IB18/20      COMMERCIAL INVESTMENT PROPOSAL (CONFIDENTIAL ITEM)**

Members considered the confidential Commercial Investment Proposal report presented by Peter Catchpole.

**The Investment Board AGREED to approve the proposed investment opportunity presented under Part 2 of the Corporate Investment Strategy together with the associated budgetary, financial and legal arrangements required to bring that into effect.**

With the approval of the Chairman of the Overview and Scrutiny Committee, urgency, special urgency and waiver of call-in procedure have been invoked to suspend the requirement to publish the decision on the forward plan for 28 days and to subject the decision to a 5 day call-in period. Therefore, the decision may be implemented immediately.

**IB19/20**      **PREVIOUS MINUTES - CONFIDENTIAL**

The confidential minutes of the meeting held 12 January 2021 were approved.

4.06 pm

Chairman