


Agenda Item No:	7	
Committee:	OVERVIEW AND SCRUTINY	
Date:	08 March 2021	
Report Title:	INVESTMENT BOARD ANNUAL REPORT	

## 1 Purpose / Summary

To provide an update to the Overview and Scrutiny Panel of the work of the Investment Board from April 2020 to March 2021.

## 2 Key issues

- 2.1 The Commercial and Investment Strategy was approved by Full Council on 9<sup>th</sup> January 2020.
- 2.2 At the same meeting Full Council also agreed to establish a Local Authority Trading Company (LATCo) for the purpose of facilitating the delivery of the agreed strategy and noted the proposed intention that the Investment Board will be able to utilise reserves and/or borrow sums up to a combined maximum of £25 million in order to deliver the objectives of the Strategy.
- 2.3 Following on from this approval the creation of the Investment Board and the delegation of functions was approved by Cabinet on 16<sup>th</sup> January 2020.
- 2.4 The business case for the creation of the LATCo was approved by Cabinet on 9<sup>th</sup> June 2020 and Fenland Future Ltd was incorporated on 10<sup>th</sup> June 2020.
- 2.5 The Investment Board has met three times since inception and details of these meetings are contained in the report whilst respecting the confidential nature of some of the items discussed.
- 2.6 Fenland Future Ltd held its inaugural board meeting on 8<sup>th</sup> December 2020 and a first draft business plan has been circulated to the Investment Board for discussion and approval.

## 3 Recommendations

It is recommended that the Overview and Scrutiny Panel note the annual report from the Investment Board.

<b>Wards Affected</b>	All
<b>Forward Plan Ref</b>	Not applicable
<b>Portfolio Holder(s)</b>	Cllr Chris Boden – Leader, Finance Portfolio Holder and Chairman of the Investment Board

<b>Report Originator(s)</b>	Paul Medd – Chief Executive Peter Catchpole – Corporate Director & Chief Finance Officer Carol Pilson – Corporate Director & Monitoring Officer
<b>Contact Officer(s)</b>	Paul Medd – Chief Executive Peter Catchpole – Corporate Director & Chief Finance Officer Carol Pilson – Corporate Director & Monitoring Officer
<b>Background Paper(s)</b>	Investment Board minutes Commercial and Investment Strategy

## Appendix: Annual report

### Report of the Investment Board

April 2020 - March 2021



## **1 What is the Investment Board?**

- 1.1 The Investment Board was created on 16<sup>th</sup> January 2020 to help drive forward the Council's Commercial and Investment Strategy which was approved by Full Council on 9<sup>th</sup> January 2020. The Investment Board is a sub-committee of Cabinet designed to be more "fleet of foot" in order to be able to respond to commercial opportunities in an agile and commercial manner.

## **2 Purpose of the Investment Board**

- 2.1 The Investment Board is responsible for implementing the Commercial Investment Strategy including oversight of the Council's companies and partnerships.
- 2.2 The Investment Board will act as a decision-making body in relation to the functions delegated to it and will report to Cabinet in relation to the exercise of those functions.
- 2.3 Support and advice will be provided to the Investment Board by the Chief Executive, Section 151 Officer, Monitoring Officer and Director of Growth.

## **3 Membership and Operation of the Investment Board**

- 3.1 The Investment Board will comprise a maximum of two Cabinet Members (one of whom should be the portfolio holder for finance if that position is not held by the Leader) in addition to the Leader who will determine their appointment annually.
- 3.2 The Investment Board shall meet on a basis agreed by itself with a minimum of 3 meetings per year.
- 3.2 The quorum shall be the Leader in the presence of a minimum of;
  - a. one other Cabinet Member;
  - b. one senior advisory officer (or their appointed deputy)

An invitation to attend must have been provided to the Chair of O&S at least 5 clear days in advance of the meeting taking place. This notice period may be waived if the Chair of O&S or their nominated deputy so agrees.

An invitation to attend must also have been provided to the section 151 officer and the Monitoring Officer (or their nominated deputies) which will normally be at least 5 clear days in advance of the meeting taking place.

- 3.3 The provisions relating to substitution set out at paragraph 28 of the Standing Orders shall apply to meetings of the Investment Board save that the Leader and Cabinet Members may only be substituted by Cabinet Members [and the Chair of O&S may only be substituted by the Vice Chairman]. Such substitutions to be notified to Council as part of the annual nomination process.

- 3.4 The Cabinet Procedure Rules shall apply to meetings of the Investment Board save in respect of paragraphs 1.6, 1.8, 2.2 (second paragraph), 2.3(g) and (h) and paragraph 2.5(d) which shall be disapplied.

#### **4 Functions of the Investment Board**

- 4.1 To determine investment appraisals submitted under Part 2 of the Council's Commercial Investment Strategy together with the most appropriate means of delivery;
- 4.2 To determine business cases submitted under Part 3 of the Council's Commercial Investments Strategy by the Council's companies and partnerships;
- 4.3 To determine the amount and terms of any investments, loans and assets required for the delivery of proposals approved in accordance with paragraphs (a) and (b) above from the agreed budget allocation;
- 4.4 To produce a report to Cabinet twice a year summarising its activities in accordance with paragraphs (a) to (c) above.
- 4.5 Approve the business plans of the Council's companies and partnerships;
- 4.6 To monitor performance and financial delivery in line with the approved business plans;
- 4.7 To ensure that those companies and partnerships comply with relevant Council policies, strategies and objectives;
- 4.8 To exercise decisions, where delegated by Cabinet, in relation to a company or partnerships' reserved matters;
- 4.9 To oversee the relationships between the Council and the Council's companies and partnerships in accordance with the Council's objectives.
- 4.10 To prepare and present an annual report to the Overview and Scrutiny Committee;
- 4.11 To determine for each individual company or partnership whether the Investment Board recommends to Cabinet the delegation of any functions to the officers of the Council.
- 4.12 All other matters not falling within the remit of the Investment Board functions set out at 4.1 to 4.11 above will be referred to Cabinet for decision.

#### **5 Work programme and outcomes**

- 5.1 The Investment Board sat on the meeting dates detailed below and considered the matters also shown in the table below as part of its work for 2020/21:-

Meeting date	Outcome
18 <sup>th</sup> September 2020	<p>Filtering of investment opportunities – The Investment Board agreed a filtering process for identifying opportunities in accordance with Parts Two (Commercial Property Investment) and Three (Regeneration and Place Shaping Investment) of the Commercial and Investment Strategy approved by Full Council in January 2020. The full process was agreed as defined in the Committee papers published.</p> <p>The Investment Board invited Fenland Future Ltd to produce a business plan for consideration at a future meeting and by 31<sup>st</sup> January 2021 latest in accordance with the Articles of Association for the company.</p> <p>The Investment Board proposed that a detailed business case be prepared for the FDC owned land at the Nene waterfront and approved the investment required to undertake this task.</p>
21 <sup>st</sup> October 2020	<p>The Investment Board considered a paper on investing in residential housing and provided a clear steer to enable a more focussed paper to be presented at a future meeting.</p>
12 <sup>th</sup> January 2021	<p>The Investment Board considered three proposals in confidential session namely, a Land Acquisition proposal which was declined after full due diligence was considered, a housing development proposal which was approved for further appraisal work and an update on the Nene waterfront proposal discussed at the September meeting. An indicative timeline was agreed and an outline business case will be tabled at a future meeting.</p>
16 <sup>th</sup> March 2021	<p>Items on the forward plan are:-</p> <ul style="list-style-type: none"> <li>• The approval of Fenland Future Ltd business plan for 2021-22</li> <li>• Residential Property Investment</li> <li>• Nene Waterfront progress update</li> <li>• Potential Acquisition under Part Two (Commercial Property Investment) of the Councils' Commercial and Investment Strategy</li> </ul>