

ASSETS AND INVESTMENT COMMITTEE: MINUTES

Date: Friday 24th February 2017

Venue: Room 128, Shire Hall, Cambridge

Time: 10.05am – 11:00am

Present: Councillors Ashcroft (substituting for Cllr Dent), Boden, Bullen (Vice-Chairman), Harford, Hickford (Chairman), Jenkins and Sales

In attendance: Councillor Hoy

Apologies: Councillor Dent (Cllr Ashcroft substituting)

74. DECLARATIONS OF INTEREST

There were no declarations of interest.

75. MINUTES AND ACTION LOG OF THE ASSETS AND INVESTMENT COMMITTEE HELD 27TH JANUARY 2017

A revised Action Log was tabled.

County Farms Estate Strategic Review Working Group – one meeting had taken place, another would be scheduled very shortly. **Action required.**

CHIC Managing Director – it was noted that David Gelling had verbally accepted the offer of employment, and would be starting in post in about a month's time.

The Committee resolved to approve the public and confidential minutes of the Committee meeting held on 27th January 2017, and note the Action Log.

76. OPERATIONAL PROPERTY ACQUISITIONS

Members considered a report on the findings of the Internal Audit Review of the Ely Archives project.

Members were reminded that a report had gone to the January Audit & Accounts Committee, attended by the Deputy Chief Executive and the Chairman. The Internal Audit Review included a number of

recommendations, and at their last meeting Assets & Investment Committee, Members had asked for a summary of lessons learned. The Deputy Chief Executive had met with the Internal Auditor and agreed a programme of actions. This had already commenced and would be fully implemented by the end of March.

It was unanimously resolved to:

1. note the management actions arising from the Ely Archives Lessons Learned Review.

77. COMMERCIAL PROPERTY ACQUISITIONS

The Committee considered a report on governance surrounding the acquisition of properties for commercial investment purposes.

Members were reminded that the Committee had looked at two commercial acquisition opportunities over the last few months which had not come to fruition, but had been quite resource intensive in terms of officer and Member time. The Deputy Chief Executive observed that the Committee had not had a robust discussion to date on their risk appetite in terms of commercial property acquisitions, and no formal investment framework had been established. Until this framework was established, and bearing in mind the imminent arrival of David Gelling and the purdah/election period, it was recommended that no further opportunities be pursued for the rest of the municipal year.

It was clarified that the decision to pursue future opportunities would not just be based on the CHIC Managing Director's decision, as the Assets & Investment Committee would be making the decision whether or not to fund any potential acquisition, based on the MD's recommendation. It was therefore important that parameters were set so that the MD knows how to operate, and the type of investments the Committee was likely to consider, rather than reacting on an ad hoc basis: there needed to be a conscious commercial strategy.

The Chairman agreed with the Deputy Chief Executive's proposed approach, adding that whilst there had been consensus on what the outcome was, there had not been the discussion on how this would be achieved, and the Committee's risk appetite. He suggested that the report lacked mention of the potential cooperation with the Pension Fund, who were a good strategic partner, for whom some investments may be more appropriate.

A Member suggested that a workshop before the first meeting of the Committee following the Elections would be very helpful, not just to establish Members' risk appetite and preferred framework, but a much broader perspective on how the Committee's objectives would be achieved. He supported the Chairman's comments on the Pension Fund, but stressed that the governance issues in terms of separation between the County Council and the Pension Fund and CHIC need to be clearly established on a firm legal footing. Another Member commented that the differentiation between housing investments, where there was the potential to add a lot of value, and a commercial acquisition which would provide the Council with a revenue stream was also important.

It was unanimously resolved to:

- 1) agree that in light of the short period before the new Managing Director commences in post that no further acquisition opportunities are pursued at this point;
- 2) agree that the first meeting of the Assets & Investment Committee in the new municipal year include a workshop to confirm the Committee's risk appetite for commercial acquisitions, and to agree a clear process for considering such investment opportunities.

78. FINANCE AND PERFORMANCE REPORT

The Committee considered a report on the financial and performance information relating to the areas within the Assets & Investment Committee's remit as at the end of January 2017.

The Deputy Chief Executive drew attention to positive moves on the revenue budget, and also some outstanding issues from the demerger of Property functions from LGSS, which would not be fully resolved until the end of the financial year.

It was resolved unanimously to:

1. review, note and comment upon the report.

79. COMMITTEE AGENDA PLAN

Members considered the forward agenda plan for Assets & Investment Committee. It was agreed that the first meeting of the elections needed to look at strategic issues.

An item on Sawtry Library was added to the agenda for the March meeting.

It was resolved unanimously to:

note the agenda plan.

80. EXCLUSION OF PRESS AND PUBLIC

It was resolved unanimously that the press and public be excluded from the meeting during the consideration of the following reports on the grounds that it is likely to involve the disclosure of exempt information under paragraph 3 of Schedule 12A of the Local Government Act 1972 as it refers to information relating to the financial or business affairs of any particular person (including the authority holding that information) and information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.

81. PROGRAMME HIGHLIGHT REPORT

Members considered a number of information/update papers.

It was resolved to:

note the report.

Chairman