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MONMOUTHSHIRE COUNTY COUNCIL

Minutes of the meeting of Investment Committee held
at on Monday, 14th September, 2020 at 2.00 pm

PRESENT: County Councillors: D. Batrouni, P.A. Fox, R.J.W. Greenland,
P. Murphy, S. Howarth and J.Becker

OFFICERS IN ATTENDANCE:

Peter Davies	Chief Officer, Resources
Deb Hill-Howells	Head of Commercial and Integrated Landlord Services
Matt Phillips	Head of Law/ Monitoring Officer
Nicola Perry	Senior Democracy Officer
Nicholas Keyse	Estates Surveyor, Estates

APOLOGIES:

Councillors J.Watkins

1. Declarations of interest

None.

2. Assessment of commercial risk appetite

The Chief Officer for Resources presented an assessment of commercial risk appetite and given current challenges brought forward a set of proposals.

The current economic climate – recommendations:

- **To pause any investment activity that falls outside the county boundary or fails to meet the aspirations of the Council.**
- **Proceed with new investments in boundary at this time only if supported by grant funding and where commercial risk is seen as acceptable when weighted against policy aims.**
- **This pause would give greater certainty around the property/investment market and surety around the Council's financial standing.**

Members agreed that this made sense in the current climate. There would be more control by remaining within the county boundary.

Councillor Howarth raised concerns around risks around grant funding and asked that officers come back for further discussion if full grant funding becomes available. It was confirmed that would be the case, and if a scheme comes forward with a potential of grant funding for commercial investment this would be brought through Investment Committee. Where there may be a case that does not require the Council to match fund, this may be a matter Council and Cabinet rather than Investment Committee.

Councillor Batrouni questioned if stopping investments out of county was a political decision. He added that this should be the time to be open to opportunities, while the market is down. He

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also asked why reference was only being made to grant funding and not funding from other organisations. **ACTION – amend to refer to contributions.**

In response to the points made the Chief Officer explained that we do not have the bandwidth as a Council at the current time to be able to withstand any further downslide. In taking more speculative investments naturally introduces more risk.

With regard to out of county, he explained that policy and objective would fall away and you would be looking at investment for commercial gain and the Council is in not in a position to take that exposure at this time.

A move to dispose of assets - Recommendations:

- **To sell remaining Council sited in the current LDP**
- **Identify surplus operational and investment assets**

This did not refer to Castlegate or Newport Leisure Park.

Councillor Batrouni agreed it makes sense to dispose of assets and adjust accordingly but questioned if we were changing the strategy of the committee.

It was noted these were unprecedented times and we need to be responsible as a leadership and flexible in our thinking.

The Chief Officer explained we are not looking to curtail activity but narrowing scope at this time.

Councillor Howarth agreed that this would be suitable for the short term and asked to see a list off assets under consideration.

Establishing a Development Company – recommendation:

- **To pause any further consideration**

Councillor Becker stated that he was hearing about quantitative rather than qualitative and suggested that we are a point where we could look to gain capital receipts but remaining selective.

Councillor Batrouni opposed to the recommendation. He asked why this was happening now. He referred to the different models and pipeline sites and asked for sight of these to provide a better understanding.

He questioned the decision to leave the housing market given current house prices.

The Leader was supportive of the development company and hoped for deeper conversation in the future.

A role in driving economic growth – recommendation:

- **That any decision to sell rather than develop RLDP sites is one for future consideration**

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3. Audit Committee Recommendations - Progress Update

The Committee received a report to provide members of the Investment Committee with an update on the progress made to implement Audit Committee recommendations agreed at their meeting on the 19th March 2020.

The Committee resolved to agree the recommendations:

To agree the revised terms of reference as contained in Appendix 1.

That a risk register is prepared and reviewed as a standing agenda item on future meetings.

The constitution is amended to reference the Investment Committee and its delegated functions.

Officers and technical advisors to complete declaration of interest forms when attending Investment Committee.

Members of the Investment Committee and supporting Officers to undertake an annual review of any training needs and appropriate training implemented.

All future investment proposals are to consider environment impacts of the proposed investment within the business case.

4. To exclude press and public

5. Investment portfolio Review

The report provided members of the Investment Committee with a position statement on the performance of the investment portfolio and the impact of Covid 19.

The Committee resolved to agree the recommendations in the report.

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6. Minutes of the previous meeting

The minutes of the meeting held on 5th February were confirmed as an accurate record.

The meeting ended at 4.25 pm