

MONMOUTHSHIRE COUNTY COUNCIL

**Minutes of the meeting of Investment Committee held
at Conference Room - Usk, NP15 1AD on Tuesday, 9th January, 2024 at 4.00 pm**

PRESENT: County Councillors: Mary Ann Brocklesby, Rachel Garrick,
Richard John and Ben Callard

ALSO IN ATTENDANCE: County Councillors: Tony Easson and Phil Murphy

OFFICERS IN ATTENDANCE:

Peter Davies	Deputy Chief Executive and Chief Officer, Resources
Joanne Chase	Solicitor
Amy Gullick	Local Democracy Officer
Nicholas Keyse	Estates Development Manager

APOLOGIES:

Councillors Paul Griffiths, Frances Taylor and Ian Chandler

1. Apologies for Absence

County Councillors: Ian Chandler, Paul Griffiths and Frances Taylor.

2. Declarations of Interest

None.

3. Confirmation of Minutes

The minutes of the previous meeting were approved.

4. Review of Investment Committee

The Deputy Chief Executive provided members of the Investment Committee with an update on proposed governance changes to the Asset Investment Policy, together with a performance update on the Council's commercial property and investment portfolio.

We noted that the report was effectively in two parts. The first being a review of the proposed, revised governance arrangements contained in the revised Asset Investment Policy. The second, being to receive a performance update on the Council's commercial property and investment portfolio, subsequent to the update considered by the Investment Committee on 28th November 2023.

The committee were provided with the background of the Asset Management Strategy and the Asset Investment Policy framework and governance criteria, for the management of the investment portfolio. The Investment Committee has been responsible for ensuring that assets are effectively managed, performance monitored and reviewed via an annual report to the Governance and Audit Committee.

The Deputy Chief Executive proceeded to outline the proposed governance changes. It was explained that the Governance and Audit Committee received the last performance review of

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Investment Committee in November 2022. The update noted the strengthening of the Prudential Code in restricting lending for commercial investments being entered into primarily for yield.

Furthermore, the Council paused any further active consideration for commercial investments as a consequence of the pandemic and the resultant uncertainty in property and investment markets. It was explained that the last investment that the council made was in March 2020.

As a result of the ongoing strain on the Council's financial standing, any further investment will only be considered in order to support the core policy objectives contained within the Council's latest Community and Corporate Plan.

Therefore, any further investment proposals can be considered in line with the Council's current constitution and decision-making processes through Council, Cabinet or otherwise. We noted that if an investment proposal contains commercially sensitive information, then either the whole or part of the report can be considered to be exempt from the press and public.

The Deputy Chief Executive explained that it was proposed that the Investment Committee, as an existing sub-committee of Council, is retained but put into abeyance.

It was further proposed that the role of the Performance and Overview Scrutiny Committee now focused on maintaining oversight and scrutiny of the performance of the Council's property investment portfolio on a six-monthly basis.

In addition, it was proposed that the Governance and Audit Committee looked to seek ongoing assurance on overall governance arrangements of the commercial and property investments, as part of the Council's overall land and property portfolio.

It was explained that to ensure that effective consultation has taken place the changes outlined in the report are considered by the Investment Committee, then subsequently the Governance and Audit Committee and Performance and Overview Scrutiny Committee, ahead of being presented to Council for consideration. The Investment Committee members were asked to provide their feedback on the proposed changes and support the recommendations of the report.

The Leader thanked officers for presenting the report which provided clear explanation of the proposed governance arrangements and invited members of the committee to ask questions or raise comments.

During discussion, members broadly agreed with the recommendations outlined in the report and of putting the Investment Committee into abeyance given the Council's position on investments and the current market conditions.

Members were in agreement that the Investment Committee should not be disbanded completely and were content with the scrutiny arrangements to be put in place and that the Committee could be stood up again in the future should it be required to.

Members were mindful of the potential additional workload placed on the Performance and Overview Committee following the changes to the governance arrangements.

The Leader provided a summary of points raised by members and moved to a vote on recommendation 2.1, which was accepted:

- *To consider and scrutinize the proposed, revised governance arrangements contained in the revised Asset Investment Policy (appendix 1) and summarized in section 4 of this*

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report, and to endorse or otherwise such changes being proposed to Council at its meeting on 18th January 2024.

The Estates Development Manager provided Investment Committee members with a performance update on the Council's commercial property and investment portfolio, as contained in the report provided.

The Leader thanked the Estates Development Manager for the most recent updates and opened the floor for any questions from members of the committee and answers were provided by the officers present.

The Committee resolved to accept recommendation 2.2:

- *To receive a performance update on the Council's commercial property and investment portfolio, subsequent to update considered by the Investment Committee on 28th November 2023.*

5. Matters arising and any other business

None.

The meeting ended at 4.37 pm