

INVESTMENT BOARD

MONDAY, 11 JULY 2022 - 11.00 AM



PRESENT: Councillor C Boden (Chairman) and Councillor I Benney (Vice-Chairman)

APOLOGIES:

Officers in attendance: Adam Broadway (Instinctively Green Ltd), Amy Brown (Head of Legal and Governance), Peter Catchpole (Corporate Director and Chief Finance Officer), Anna Goodall (Acting Assistant Director), Simon Machen (Interim Corporate Director), Mark Saunders (Chief Accountant) and Linda Albon (Member Services & Governance Officer)

IB1/22 PREVIOUS MINUTES

The public minutes of the meeting held 3 December 2021 were approved and signed.

IB2/22 APPOINTMENT OF VICE CHAIRMAN FOR THE MUNICIPAL YEAR

It was proposed by Councillor Boden and resolved that Councillor Benney be Vice-Chairman for the Investment Board for this Municipal Year.

IB3/22 FENLAND FUTURE LTD FINANCING

Members considered the Fenland Future Ltd Financing report presented by Peter Catchpole.

Peter Catchpole emphasised this is not a request for funding, this is a request to agree a loan agreement which will trigger how the Council funds in the future.

Councillor Boden thanked Peter Catchpole for this report, saying it has been a long time coming and it is good to be at this stage now. However, there are two places within the report with referencing issues that need amending, namely:

1. Paragraph 11.2.2.2 on page 34 of the agenda pack, and similarly
2. Paragraph 5, 19.1 on page 49.

The Investment Board AGREED to approve the Loan Agreement as set out at Schedule 1 of the report and to delegate authority to the Section 151 Officer and/or his nominated delegate(s) to authorise drawdown requests in consultation with the Chairman of the Investment Board or, if they are not available, one of the other members of the Investment Board, in accordance with the process outlined in Section 5 of the Loan Agreement itself.

IB4/22 FENLAND FUTURE LTD DEED OF INDEMNITY

Members considered the Fenland Future Ltd (FFL) Deed of Indemnity report presented by Peter Catchpole.

Councillor Boden stated that it would not be right to potentially put officers in a position of personal liability when carrying out the requests of the Investment Board, so this is report is welcome. He added that there are three different definitions of who is covered, looking at the deed of indemnity it

relates in differing parts of the report to directors, officers of the Company, and officers and members of Fenland District Council.

Councillor Boden stated his concern about the position of the Company Secretary and requested clarification about the position of that role and whether they could or should be covered also. Peter Catchpole responded that he had looked at this from a legal perspective and the Company Secretary is covered in a statutory role as an officer of FFL and has the same standing as a director, therefore this term includes the Company Secretary. Councillor Boden stated that he would like this to be made clear in the report recommendations. Peter Catchpole agreed that would be acceptable.

The Investment Board AGREED to approve the form of indemnity agreement attached to the report, ensuring that it will also cover the Company Secretary.

IB5/22 FENLAND FUTURE LTD SERVICE LEVEL AGREEMENT

Members considered the Fenland Future Ltd Service Level Agreement report presented by Peter Catchpole.

Councillor Boden said the agreement anticipates that there will be quarterly charges raised in arrears and he asked if it will be necessary to have a backdated set of invoices going back to beginning of the operation of the company. Peter Catchpole confirmed it will be necessary, there are accruals in both sets of accounts for costs incurred to date by both Fenland District Council (FDC) and FFL so it will be backdated to when FFL was first incorporated.

Councillor Boden queried the VAT status of FFL, the relationship between FDC and FFL and how it relates to service charges. Peter Catchpole responded that FFL is a registered entity for VAT, so FDC will have to charge VAT to FFL on these services, but FFL should be able to reclaim the VAT. Councillor Boden thanked Peter Catchpole but asked why it was decided to have two separate VAT registrations rather than absorb FFL into FDC's registration assuming that is legal. Peter Catchpole replied that officers had investigated several options and taken advice, they wanted FFL to be part of a separate VAT group because it is one limited company but depending on how we deliver going forward, this seemed to be the most advantageous way of doing that.

Councillor Benney said if there was a specific project being looked at where the VAT implications would be different, another company could always be set up to run that project through with a different VAT scheme. Peter Catchpole replied that the most tax efficient way of doing things for any project would certainly be examined, and a number of options for how we deliver things through FFL are currently being looked at.

Councillor Boden asked how often VAT registration for FFL is reported. Mark Saunders replied FFL is reported quarterly and FDC is reported monthly. Councillor Boden asked officers to ensure that we do not end up with a timing difference that is disadvantageous to the entity as a whole.

The Investment Board AGREED to approve the draft Service Level Agreement at Schedule 1 of the report.

IB6/22 FENLAND FUTURE LTD BUSINESS PLAN

Members considered the Fenland Future Ltd Business Plan report presented by Adam Broadway, on behalf of FFL.

Councillor Boden said it is accepted that the Financial Plan will not end up correct; it is the best estimate that can be made with all the current uncertainties as to how FFL will pan out, but it is a moving target and will be updated on a quarterly basis. There is no figure for finance charges for

2025/6 but much will depend on cash flow and the speed at which properties can be built and sold. One would hope that the cash flow of the company will mean that it no longer will require any loan by 2025/6 but it is impossible to say. However, it is clear from the outline figures that the Business Plan is coherent and has significant potential for more profit than losses.

Members AGREED to note the Fenland Future Ltd Business Plan report and endorse the adoption of the revised FFL Business Plan (April 2022 to March 2025) and to receive further reports on the progress of FFL projects against the approved Business Plan in accordance with the approved articles of association for FFL.

IB7/22 SCHEME UPDATE REPORTS INCLUDING LAND TRANSFERS - CONFIDENTIAL

Members considered the Scheme Update report including and transfers presented by Adam Broadway.

Members made comments, asked questions and received responses.

Members AGREED to note the confidential Scheme Briefing Paper, to authorise officers to assess the legal, financial and governance implications and, subject to these, for officers to present a formal case for approval at a future meeting.

(Members resolved to exclude the public from the meeting for this item of business on the grounds that it involved the disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972).

IB8/22 AN UPDATE ON CURRENT OPPORTUNITIES - CONFIDENTIAL

Members were provided with an update on current opportunities in the form of a verbal report presented by Peter Catchpole.

Members made comments, asked questions and received responses.

(Members resolved to exclude the public from the meeting for this item of business on the grounds that it involved the disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972).

IB9/22 PREVIOUS MINUTES - CONFIDENTIAL

The confidential minutes of the meeting held 3 December 2021 were approved and signed.

(Members resolved to exclude the public from the meeting for this item of business on the grounds that it involved the disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972).

12.18 pm

Chairman