

CORPORATE ASSET INVESTMENT FUND ADVISORY BOARD

TERMS OF REFERENCE AND GOVERNANCE ARRANGEMENTS

Function

To support the increase, improvement and management of the County Council's investment portfolio which -

- Supports the objectives of the Council's Medium Term Financial Strategy.
- Generates an income stream which increases the Council's financial resilience given the decrease in government funding.
- Supports the delivery of front line services through increased income generation, or through capital investments that will reduce operating costs.
- Supports the Council's strategic objective of Affordable and Quality Homes through helping to unlock and accelerate developments.
- Manages investment risk through the opportunity to invest in diverse sectors.
- Meets the objectives of the Council's Corporate Asset Management Plan, Corporate Asset Investment Fund Strategy, Strategic Plan and Single Outcomes Framework, the Economic Growth Plan and Local Industrial Strategy.
- Increases the size of the property portfolio and improves the mix and quality of land and property available across the County and the sub-region.
- Maximises returns on Council owned property assets.
- Supports growth in the County and its economic area of influence and ensures there is a more diverse range of properties and land assets available to meet the aims of economic development.
- Supports the Council in maximising the benefit from its financial assets in a risk aware way (not including standard treasury management activity).

Note: Treasury Management activity with banks, local authorities and the capital market are not in the scope of this Board, such activities being undertaken by the Director of Corporate Resource in accordance with the Treasury Management Strategy and Investment Strategy agreed annually by the County Council.

Role

To consider matters relating to assets held, or to be held, in the Corporate Asset Investment Fund, including:

- Property transactions which would require a decision by the Cabinet or a decision by the Director of Corporate Resources under delegated powers where there is an obligation to first consult the Board.
(<http://cexmodgov1/documents/s137291/Director%20of%20Corporate%20Resources.pdf>)
- Proposals to acquire property for development, or to develop or redevelop existing property assets currently used for service delivery into economic development/investment assets.
- Proposals to acquire property assets which are out of County and are for investment purposes only.
- Proposals to acquire land to support housing development within the County
- Significant disposal proposals.
- Other investment proposals aimed at generating an income and return where this is considered appropriate by the Director of Corporate Resources.
- The development of investment policies and strategies covering property and financial investments not categorised as 'specified' in the Council's Investment Strategy.
- Performance (financial and non-financial) in relation to investment activity.

Governance Arrangements

The Board will comprise of 5 Cabinet members to be appointed by the Leader, including the Cabinet Lead Member for Resources who will be Chairman of the Board.

A quorum of three Members will be required to conduct business.

The Board will meet as and when required.

Support will be given to the Board by the following (or their representative) –

- The Director of Corporate Resources
- The Head of Strategic Property
- The Director of Law and Governance

- The Head of Planning, Historic and Natural Environment (as required)
- Independent investment advisors (as required)

Meetings of the Board will be held in private in view of its function and the nature of business to be considered.

Independent Investment Advisors

Support is primarily expected from a specialist advisor with proven expertise and experience in the property investment market and access to specialist industrial, agricultural, office and retail investment areas will be appointed to provide property investment consultancy advice to the Board and to officers regarding proposed property investment activities.

The Independent Advisor will also –

- Provide market information and strategic advice on an ongoing basis in order that the Corporate Asset Investment Fund Strategy can be reviewed and updated to respond quickly to changing economic and market conditions.
- Upon request by the Director of Corporate Resources, actively source investment opportunities and pursue those and such other investment opportunities as directed by the Authority on behalf of the Council, providing detailed property appraisals to assist the governance process as necessary.

Where non-property investments are being considered external advice will be taken, as appropriate. Depending upon the nature of the investment this could range from an advisor specialising in the investment area or utilisation of advice received by the Pension Fund.

Ongoing Reporting Arrangements - Management and Monitoring of Investments

Regular performance reports regarding the CAIF portfolio will be presented to the Board as is considered appropriate by the Director of Corporate Resources.

Financial performance of the CAIF will be monitored regularly through a specific section in the MTFs Monitoring reports presented to the Cabinet and the Scrutiny Commission on a regular basis.

Reports will be presented to the Cabinet and the Scrutiny Commission annually in the summer regarding matters considered and supported by the Board and actions taken by the Director of Corporate Resources under delegated powers. Such reports will also set out the performance of the portfolio against the targets set out in the Corporate Asset Investment Fund Strategy.

Decisions taken by the Director of Corporate Resources under delegated powers will be published on the Council's website in accordance with the Local Authorities (Executive Arrangements) (Meetings and Access to Information) Regulations 20102.

The Corporate Asset Investment Fund Strategy will be reviewed and refreshed on an annual basis and the Corporate Asset Management Plan will be reviewed and refreshed every three years. Both will be presented to the Scrutiny Commission for consideration, and thereafter the Cabinet for approval.