

SUBJECT:	Updated Asset Investment Policy
MEETING:	County Council
DATE:	3rd December 2020
DIVISION/WARDS AFFECTED:	All

1. PURPOSE:

To amend the existing Asset Investment Policy to reflect Audit Committee recommendations, national guidance and learning and as endorsed by the Council's Investment Committee.

2. RECOMMENDATIONS:

- 2.1 That Council agree to the proposed update and amendments to the Asset Investment Policy as contained in Appendix 1.
- 2.2 To agree the revised terms of reference for the Investment Committee as contained in Appendix 1.
- 2.3 That all future investment proposals are to consider the environmental impact and sustainable development principles as part of the business case for any proposed investment.

3. KEY ISSUES:

- 3.1 Council approved the Asset Investment Policy in May 2018 and a further report was approved in February 2019, which extended the policy to enable commercial loan funding, the use of investment funding to undertake development or refurbishments and the use of equity or debenture interests.
- 3.2 Audit Committee undertook an annual review in March of this year, which identified opportunities for improvement arising from an internal audit review, changing financial practice guidelines relating to commercial investments and self-reflection on the investments undertaken to date.
- 3.3 Investment Committee has considered the proposed amendments and have endorsed the proposals.

Recommendation – To review and update the Investment Committee terms of reference and Asset Investment Policy

3.4 The terms of reference have been reviewed and revised as outlined in Appendix 1. The proposed changes are as follows:

- The ability for Investment Committee members to nominate deputies with full voting rights in the event that they are unable to attend.
- The requirement for all officers and external advisors attending meetings to sign declarations of interest.
- The Investment Committee is to undertake an annual self-review to determine the effectiveness of the committee and any training requirements.

3.5 These proposals have been made following a review of the effectiveness of the Investment Committee and existing governance arrangements. Ensuring that deputies have full voting rights will enable meetings to be quorate and decisions to be made in a timely manner to take advantage of potential commercial opportunities. Whilst it is acknowledged that Members are required to identify declaration of interests prior to decision making, given the influence that officers and advisors will have in supporting Members it was considered appropriate to ensure that they are subject to the same level of transparency. The annual review of the committee and training requirements will ensure that self-review identifies any support necessary for Members and officers to enable them to continue to make appropriate decisions and undertake informed challenge.

Recommendation – That all future investment proposals are to consider the environment impact and sustainable development principles as part of the business case for any proposed investment

3.6 The current policy identifies the factors that should be considered in a business case for a potential investment, which does not explicitly include the environmental impact and sustainable development principles. Given the Council's declaration of a climate emergency and our commitment to reduce our environmental impact, the Asset Investment Policy has been amended to ensure that any future investment proposals include an evaluation within the business case of the environment and sustainable development considerations of the investment. Evaluations will reference the environmental impact and sustainable development principles referenced in the Wellbeing of Future Generations Act and alignment with the Council's evolving climate change action plan.

Governance Improvements

3.7 The annual performance review enabled officers to evaluate opportunities to improve governance and provide Investment Committee members with greater access to information to improve investment decisions and manage risks. Whilst these do not require an update to the Asset Investment Policy, it is considered helpful to provide this detail to full Council.

3.8 A performance dashboard will be developed and reported to members of Investment Committee on a quarterly basis so that the performance of individual assets can be

measured against the original business case assumptions, financial and investment criteria and wider market trends.

- 3.9 A risk assessment is to be maintained and reported back to Investment Committee on a quarterly basis and if appropriate, more frequently to reflect the changing circumstances of individual investments or wider financial or structural market conditions.
- 3.10 The reporting process for potential investments has adopted a two-stage approach and the Asset Investment Policy has been amended and updated to reflect this. Initial investment opportunities will be assessed against the financial and viability criteria. If this initial assessment indicates that they could be met, an initial business case will be developed which will outline heads of terms, the financial model and the wider social and environmental benefits that the proposed investment will derive. This will be presented to Investment Committee for stage one approval to enable officers to incur expenditure on due diligence, legal and specialist fees to substantiate the assumptions and modelling built into the initial business case. When the due diligence has been completed, the finalised business case will be presented to Investment Committee for stage two approval. If this is agreed, the Council will enter into the investment.
- 3.11 Potential investment opportunities that are not progressed to stage one approval are reported to Investment Committee with accompanying rationale for their rejection. This provides greater transparency to Investment Committee members on the decisions that officers are making and ensuring these continue to align with the Council's policy objectives.
- 3.12 The current financial climate and market conditions have exemplified the need for Investment Committee to continually re-assess the Council's commercial risk appetite. This will reference a review of the performance of the existing investment portfolio, wider property or financial prevailing market conditions and external influences from forthcoming UK or WG policy changes that will affect future conditions set against Council's finances and pressures.
- 3.13 Investment Committee has recently undertaken such a review and determined to curtail all investment activity and potential acquisitions at this time, unless they are in County and grant funded or will further a wider policy aim. Investment Committee will continue to review this position in line with the Asset Investment Policy.

Asset Review, Disposals and Development

- 3.14 In line with the Asset Management Strategy the Estates team are currently undertaking a review of operational and investment assets to determine which if any can be released to generate capital receipts which can be used to support the capitalisation directive or capital programme priorities.
- 3.15 Allocated LDP sites, namely Chepstow Road in Raglan and phase 2 of Rockfield Farm are currently being advertised for disposal with tenders due to be received early in the new year.
- 3.16 Furthermore, the Council will be looking to commit to actively develop its first site with a development partner in 2021, allowing the approach to be tested and developed with a view to exploring other smaller schemes that could be taken forward in a similar manner.

This would then allow the Council to establish a development company from a more informed position and aligned to the opportunities to scale the approach through Council owned sites being put forward into the Replacement LDP. An update report outlining the Council's future intentions will be presented to Cabinet on the 16th December.

4 EQUALITY AND FUTURE GENERATIONS EVALUATION (INCLUDES SOCIAL JUSTICE, SAFEGUARDING AND CORPORATE PARENTING):

- 4.1 This proposal does not have any safeguarding and corporate parenting implications.
- 4.2 Amending the Asset Investment Policy will ensure that the sustainable development ambitions of the Wellbeing of Future Generations Act are embedded in our policy. This will ensure that investment decisions are fully sighted on potential implications and if necessary mitigating actions.

5 OPTIONS APPRAISAL

- 5.1 An evaluation of the Asset Investment Policy and review of the performance of the Investment Committee and investment portfolio resulted in proposed improvements being accepted by Audit Committee earlier this year. The improvements have sought to improve existing practice and ensure that reviews of performance, risk appetite and risks are more dynamic with quarterly evaluations. The terms of reference have also been amended to provide accountability that is more transparent and strengthen governance arrangements. A do nothing scenario would result in these improvements being lost and was therefore discounted. A process of continual review and reflection will be undertaken to ensure alignment with prevailing policy and legislation and opportunities for improvement and public value creation are embedded in the policy.

6 EVALUATION CRITERIA

- 6.1 Quarterly reviews of performance, risk appetite and risk will be undertaken by Investment Committee. Audit Committee will undertake an annual review. Evaluations will be undertaken against the financial and investment criteria set out in the Asset Investment Policy.

7. REASONS

- 7.1 The recommendations were developed as a result of an audit committee review, changing practice standards and guidance and to mitigate risks for future investment decisions made by the Investment Committee.
- 7.2 Investment Committee members and supporting officers have an obligation to ensure that decisions are made in accordance with prevailing Council Standing Orders and that the best possible advice is provided by appropriately qualified technical experts.
- 7.3 The adoption of regular portfolio performance and risk monitoring will ensure assets are being effectively managed, potential issues are identified and mitigation is implemented in a timely manner.

8. RESOURCE IMPLICATIONS:

- 8.1 The current pandemic has highlighted the risks that naturally come with undertaking commercial investments. The Councils budget position remains under significant strain and the commercial investment and property markets remain uncertain and which we expect to continue until a vaccine is successfully rolled out. Investment Committee has therefore concluded that it would not be prudent to undertake further investments, save for opportunities within the County that are grant funded or support wider policy aims.
- 8.2 The Council's existing investments are regularly monitored, however revenue income has fallen against initial appraisal forecasts particularly the Newport Leisure Park investment. Officers are working with tenants and specialist advisors to mitigate impacts and have been able to recover lost income in the current financial year from Welsh Government's COVID hardship fund. The continuation of funding beyond March 2021 is unknown, and without which will place pressures on the commercial investment income target.
- 8.3 All property assets are being reviewed and where property sector values are still robust, e.g. the residential market, disposals will be pursued to realise capital receipts.

9. BACKGROUND PAPERS:

Audit Committee report and minutes 19th March 2020

Audit Committee Recommendations Update 14th September 2020

10. AUTHOR:

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Appendix 1 – Asset Investment Policy (Updated Nov 2020)

1. Introduction

Local government has been challenged to identify new ways to generate both revenue and capital funding streams to help bridge the gap between available funds and increasing service demands.

In common with all public bodies, the Council has a property portfolio, which is used to facilitate service delivery and deliver corporate objectives. The Council has been driving down running costs through the rationalisation of its operational estate and enabling staff to work remotely. Whilst this process will continue to seek efficiencies, it is limited to cost avoidance and efficiency savings. This policy is concerned with the generation of net revenue returns through prudent investments, which will be used to support the costs associated with front line service delivery.

It is recognised that there has been significant scrutiny over public agencies acquisition of commercial portfolios funded by borrowing or capital reserves. This policy will outline the system process that will ensure that investments are prudent, decision-making is transparent, there are defined performance and risk management frameworks in place and accountability is embedded within the governance arrangements.

2. Objectives of the policy

- 2.1 To invest in opportunities within the County of Monmouthshire to support economic and regeneration policies, support job and wealth creation and improve the opportunities for Monmouthshire citizens.
- 2.2 To invest in opportunities within the City Deal geographical boundary and neighbouring areas of economic influence which will support the region's economic and regeneration priorities.

- 2.3 In order to manage and spread investment risk we may also identify investment options beyond our county and regional boundaries, which meet the financial and investment criteria in order to create a blended investment portfolio.
- 2.4 To help sustain Council services through prudent investments which generate a net revenue surplus that will be used to support Council priorities.
- 2.5 The Council’s Corporate Plan 2017 – 2022 identifies five priorities, the last of which is a “future focussed Council”. One of the key measures for this is *income generation from commercial investments*. This policy will provide the framework and criteria for commercial investments

3. Purpose of the Policy

3.1 The purpose of this policy is provide a robust governance and appraisal framework against which Investment Committee will assess investment opportunities and subsequent performance. Whilst the initial policy appended to the Asset Management Strategy considered the acquisition of land and property assets, this was refined by Council in 2019 to include the following:

- Commercial investments through the provision of commercial loan facilities
- The use of investment funding to build or renovate investment portfolio holdings
- Investments within equity or debenture interests.

3.2 All commercial investment opportunities will need to be the subject of a Business Plan which evidences that the specified financial and investment criteria set out in this policy are met.

3.2 The principal purpose for undertaking commercial investments will be to improve the financial, environmental or social wellbeing of the Council and its communities. Consideration will be given to the sustainable development principles within the business case and where possible the identification of options to reduce the existing carbon and environmental impact of potential investments.

4. Powers to acquire land and property assets.

Power to acquire and hold assets

4.1 The 1972 Local Government act provides the authority for local government to both acquire and dispose of property assets. S120 deals with the acquisition of assets as follows:

S120 Acquisition of land by agreement by principal councils.

(1) *For the purposes of—*

(a) *Any of their functions under this or any other enactment, or*

(b) *The benefit, improvement or development of their area,*

(c) A principal council may acquire by agreement any land, whether situated inside or outside their area.

4.2 Well-being powers

Section 2 of the Local Government Act 2000, gives local authorities the power to do:

- 1) Anything which they consider is likely to achieve any one of the following objects:
 - (a) The promotion or improvement of the economic well-being of their area,
 - (b) The promotion or improvement of the social well-being of their area, and
 - (c) The promotion or improvement of the environmental well-being of their area

Section 2 (4), of the act provides local authorities with the ability to incur expenditure, give financial assistance, enter into arrangements or agreements and provide goods services and accommodation.

We have obtained specific advice on the application of these powers to acquire investment assets, which has confirmed that a direct benefit to the citizens of Monmouthshire needs to be accrued from the acquisition of the assets which can be tangible i.e. the provision of new facilities, or intangible i.e. funding service delivery.

General Power of Competence

The Local Government and Elections (Wales) Bill which received royal assent earlier this year will introduce the general power of competence powers which have been enjoyed by English authorities since the introduction of the Localism Act. The powers will enable councils to be more innovative and lend or invest money; or setup a company or co-operative society to trade and engage in commercial activity. Use of the power is not restricted to the geographical area of the authority or for the benefit of its residents.

Power to borrow

- 4.3 The power to borrow is provided via S1 of the 2003 Local Government Act. This determines that borrowing may be undertaken;
- (b) For the purposes of prudent management of its financial affairs provided it does not exceed its affordable borrowing limit under s.3 Local Government Act 2003 (s.2 (1) and 2(4))

A number of English Authorities have sought advice on the extent of this power and whether it confers the right to borrow money for purely financial purposes. This is yet to be tested in the Courts; however, Welsh Government proposals seem to infer a greater degree of freedom than that afforded by the Localism Act, which confers the general power of competence to English authorities.

5. Financial Criteria

- 5.1 Commercial investments will be expected to meet the criteria set out below; investments outside these criteria will require approval by Cabinet with a supporting business case and reasons for deviating from the agreed protocols.

Criteria	Measure
Total Investment Fund	£50,000,000, to be reviewed annually
Maximum Lot size	No greater than 20% of the Investment Fund value, unless approved by Cabinet.
Minimum Return	2% net return on investment (to determine this the costs of borrowing will be deducted from the gross income received)

	Where the acquisition will result in net economic growth to Monmouthshire (through the provision of jobs, additional employment floor space, local regeneration or any other measurable community benefit) the Investment Committee can adopt a lower return, but the return cannot be lower than 0% after borrowing.
Target annual return	7% per annum, to be reviewed annually to reflect prevailing market conditions
Minimum Repayment Provision (MRP)	To be assessed on a case-by-case basis by reference to the economic life of the asset or commercial loan term. In all cases, the MRP will not exceed 50 years.
Environmental impact and Sustainable Development principles of the proposed Investment	The proposed investment will need to quantify the baseline position and identify opportunities to reduce the environment impacts.

6. Investment Criteria

Property Investments

6.1 All proposed land and property acquisitions are to be undertaken by the Council's Estates team or its appointed agents in accordance with prevailing legislation and the codes of practice of relevant professional bodies. All valuations must be undertaken by a qualified¹ member of the Royal Institution of Chartered Surveyors with knowledge of the relevant local and specialist markets.

6.2 All potential acquisitions will be assessed against the following Investment Criteria:

- Location
- Quality
- Tenure
- Title
- Portfolio blend
- Covenant strength and security of income
- Income and capital growth potential
- Potential landlord liabilities
- Identifiable risks & portfolio blend
- Development and added value opportunities
- Economic, regeneration and other key Council priorities
- Market and sectoral conditions
- Independent Valuation
- Wellbeing and future generations impact and sustainable development principles
- Potential exit strategy
- Sinking fund requirement

6.3 If consent is being sought to undertake borrowing to refurbish or develop a property asset a business case will be developed which considers the investment criteria set out in 6.2 above. In addition it will need to outline:

¹ MRICS or FRICS

- Statutory consents required to enable the development and the outcome of any initial investigations
- Anticipated development/ refurbishment costs
- Programme timescales
- Clarification how debt repayments will be funded in advance of rental returns.

Commercial loans, Debenture or Equity Interests.

- 6.4 All proposed commercial investments will be led by the Councils Finance Department or its appointed specialist technical advisors in accordance with prevailing legislation and the codes of practice of relevant professional bodies.
- 6.5 All potential investments will be assessed against the following investment criteria:
- Financial standing of the proposed borrower
 - Company gearing and assets
 - Payback periods and affordability
 - Opportunity to protect investment through charges over residual assets, IPR, contracts etc.
 - Potential step in rights
 - Viability of investment purpose and market competition
 - Loan to value ratio
 - Potential risks
 - Environmental impact and the sustainable development principles
 - Potential exit strategy
 - Sinking fund requirement

7. Governance Criteria

- 7.1 All investment decisions up to a total lot value of 20% of the investment fund value are delegated by Council to the Investment Committee. Any proposed investments over this sum will need to approval from Cabinet.
- 7.2 The Investment Committee will be comprised of the Council Leader, Deputy Leader, Cabinet Member for Resources and the Leaders of the two largest opposition parties (political balance 3:1:1). The Committee will be advised by the Resources Chief Officer and officers from Finance, Estates and Legal Services together with specialist technical advisors.
- 7.2 The terms of reference, which will govern the operating practices of Investment Committee, are set out in Appendix 1. Three members of the Investment Committee or their nominated deputies will need to be in attendance for the meeting to be quorate.
- 7.4 A minimum of a two-stage process will be adopted by Investment Committee when considering any investment proposals.

Stage 1

- 7.3 An initial business case is to be prepared which considers the financial and investment criteria set out in this policy. Provisional heads of terms, dependencies, anticipated timescales and potential risks should also be contained in the report.
- 7.4 The business case will be presented to the Investment Committee for approval to incur costs to undertake the due diligence necessary to substantiate the provisional proposal and recommendations.

Stage 2

- 7.5 Following the completion of due diligence, a final business case will be prepared. If the proposed investment remains prudent and in line with investment and financial criteria the business case will be presented to Investment Committee for their decision.
- 7.6 Should the due diligence demonstrate that the proposed investment should not be progressed, this should be reported back to Investment Committee with the supporting rationale.
- 7.7 Members of Investment Committee will be required to undertake an annual review of their training needs to ensure that they are suitably equipped to challenge and scrutinise investment proposals.
- 7.8 Officers will provide quarterly investment portfolio performance and risk data for Investment Committee members to evaluate, together with details of potential investments which did not progress to Investment Committee.

8. Review Principles

- 8.1 An annual performance review of the Investment Committee and the investment portfolio will be reported to Audit Committee to ascertain performance against the following criteria:
- Individual investment performance against Business Case projections
 - Governance arrangements and adherence to policy
 - Market conditions and performance
 - Risk analysis
 - Proposals for improvement
- 8.2 The Asset Investment Policy will be reviewed annually and adjusted to reflect prevailing market circumstances.
- 8.3 There will be a continual and ongoing review, quarterly or otherwise, of the Investment Committee's risk appetite and as recommended by officers and advisors.
- 8.4 Quarterly performance data will be presented to Investment Committee to evaluate performance against the financial criteria and business case projections. If this data illustrates that an investment is deemed to be underperforming or fails to meet any debt repayment costs, a review will be undertaken to determine:
- Wider prevailing market conditions and the impact on the investment
 - The potential to increase the revenue generated or reduce holding costs
 - The anticipated sale value of the asset
 - Opportunities for debt refinancing
 - Opportunities for step in
 - Residual value against outstanding borrowing
 - Consideration whether the circumstances are short, medium or long term and the potential for recovery
- 8.5 If it is determined that the net sale value will realise a receipt in excess of the initial investment and that there is little potential to increase the revenue then the investment will be sold / traded. If however, the net sale value will not realise a value equal to or in excess of that originally paid, the investment will be retained until such time the capital value has increased. All income and

expenditure for property assets will be funded and managed by the Estates Team and commercial loans by the Finance Department.

- 8.6 Where a property investment is located outside of the County or requires specific expertise, external agents may be instructed to manage the asset on the Councils behalf. If costs cannot be recovered from service charges, they will instead be deducted from the gross annual return.

9 Risks

- 9.1 As with all investments, they will be subject to fluctuations in market conditions and external factors. All investments will be considered against the security, liquidity, yield principles acknowledging that there will be variations between commercial loans, which are likely to be more liquid than property assets and have shorter paybacks. They will however unlikely to be secured against tangible assets as opposed to property investments, however their payback periods will be longer.
- 9.2 Illiquidity - In the event that a property needs to be sold to generate capital funds, the disposal process may take in the region of 6 – 12 months to complete, dependent on the prevailing market conditions.
- 9.3 Commercial property will require management to safeguard the physical condition of the asset and the landlord tenant relationship. Regardless of contractual arrangements, there will always be the risk of tenant default.
- 9.4 In the event of a market downturn, it is likely that rental streams will reduce and voids may occur. This may result in the costs of borrowing exceeding revenue received; this risk can be in part mitigated through the creation of sinking funds for each investment. This is where a portion of the surplus income is ring fenced to the asset and used to fund unexpected maintenance costs or offset declining rent rolls.
- 9.5 When providing commercial loans, risks may arise from a change in the financial viability of the borrower, changes in the market, competition, changes in UK or Welsh Government policies. Whilst these scenarios should all be considered in the business plan, not all circumstances can be predicted as has been highlighted by the Covid 19 pandemic.
- 9.6 Quarterly assessments of the risk profile for the investment portfolio will enable Investment Committee to evaluate and if necessary seek opportunities to mitigate the risk through for example refurbishments, or disposal of the investments.

10. Purchasing and Finance.

- 10.1 The Council benefits from the ability to access funding from the PWLB at relatively low interest rates and fixed repayment terms enabling certainty over debt repayments and potential yields at the point of the acquisition of an investment.
- 10.2 If stage 1 approval is provided by Investment Committee, due diligence costs will be incurred. If the investment proceeds these will be included in the total investment cost and funded through borrowing. If the proposal does not proceed if the abortive costs cannot be financed through existing revenue budgets, they will need to be set against the Investment Fund and repayments offset from the gross investment income.
- 10.3 A sinking fund will be created to manage unforeseen repair works or offset a fall in income levels to prevent the portfolio becoming a net cost to the authority. The value of the sinking fund will be determined on an individual investment basis to reflect value and risk.

11. Governance & Purchase Flow Chart

Identification of potential investment opportunity & initial assessment of compliance against financial and investment



If initial assessment identifies that it does not meet the criteria it is not progressed, but reported back to Investment Committee



If initial assessment identifies that the criteria should be met, an outline business case is prepared to establish viability of proposal, evidence that the Financial and Investment Criteria are met and identification of due diligence necessary to substantiate any assumptions and analysis of risk.



Stage 1 Approval

If the Outline Business case meets financial and investment criteria, officers will seek approval from the Investment Committee to submit a conditional offer subject to contract, due diligence & Member approval. Due



Commission due diligence reports, surveys, re-assess financial, and investment criteria against initial assumptions. Finalise Business Case.



Stage 2

Present finalised Business Case to Investment Committee for their scrutiny and decision. If investment is approved then legal processes can be implemented.

Approvals



Completion of legal formalities

Commence legal processes, which will be undertaken by the Councils Commercial Legal Team.



If the investment is a property acquisition, exchange contracts, which contractually commits the Council to the purchase.



Finalise legal documentation. Arrange draw down of funds and completion of investment.



Post completion – if property acquisition, payment of Land Transaction Tax and other fees; arrange for rental payments and ongoing property / portfolio management. Establish sinking fund with finance team.



Update relevant colleagues / external organisations and update terrier and other software systems.



Performance

Monitoring

Performance dashboard of investments to be presented to Investment Committee on a quarterly basis or sooner if required.



Risk register to be prepared and monitored by Investment Committee on a quarterly basis or sooner if required.



Undertake annual assessment to review compliance with financial and investment criteria and compliance with governance arrangements. Annual report to be presented to Audit Committee for scrutiny.



Investment Committee to undertake an annual review of training needs to ensure effective scrutiny and challenge of investment

Annex 1 – Investment Committee Terms of Reference.

- Purpose:* To hold strategic oversight and accountability for the acquisition and monitoring of commercial investments in line with the Asset Investment Strategy.
- Membership:* The Committee will be comprised of the following elected Members:
- The Leader
 - Deputy Leader
 - Cabinet Member with portfolio responsibility for Resources
 - Leaders of the two largest opposition parties
- The membership of the committee reflects the political balance of the current administration and will be subject to review following a local government election within the Monmouthshire County Constituency.
- Chairperson:* The Leader of the Council. In the absence of the Leader, the Deputy Leader will assume the Chair role in their absence.
- In attendance:* Leaders of the remaining opposition parties
- Chief Executive
 - Chief Officer, Resources
 - Chief Officer, Enterprise
 - Head of Law/Monitoring Officer
 - Other Council Officers as required.
 - Specialist advisors as required.

Deputising: Members of the Investment Committee are able to nominate a substitute elected Member to deputise for them if they are unable to attend a committee meeting. The deputy will be able to vote on behalf of the substantive Committee Member.

Democratic Services should be advised of any substitute Members, no less than 24 hours prior to the meeting, save in the event of an emergency.

Voting Rights: Will be limited to the members of the Investment Committee

Quorum: Three members of the committee

Frequency: The meetings will be convened as investment opportunities arise as required. A minimum of four meetings will take place per annum to review the performance of the investment portfolio.

Declarations of Interest:

All Members, Officers and external advisors will be required to submit declarations of interest prior to the discussing proceeding. Officers and external advisors with a personal or commercial interest in the proposed investment will not take part in the discussions, without the express consent of the Chair.

Investment Committee remit will be to:

1. Take decisions on proposed acquisitions or investment opportunities.
2. Scrutinise business cases and ensure that proposals are in accordance with the approved Asset Investment Strategy.
3. Monitor and review the performance of the investment portfolio, ensuring that it meets the agreed financial benchmarks within the asset investment policy and identified risks are actively managed.
4. Agree mitigation and exit strategies for poorly performing assets, including disposals.
5. Provide an annual position statement for Audit Committee to review the performance of the investment portfolio
6. To execute the powers of authority delegated by Council in a prudent manner
7. Members of Investment Committee will act in the best interest of the corporate entity
8. The Committee will undertake an annual self-review to review the effectiveness of the committee and identify any training required for committee members.

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