

Agenda Item No:	5	
Committee:	Cabinet	
Date:	16 th January 2020	
Report Title:	Creation of Investment Board and Delegation of Functions	

1.1. Purpose

- To put in place the governance arrangements necessary to bring the proposed Investment Board into effect.

1.2. Key issues

- To establish a sub-committee of Cabinet to be known as the Investment Board;
- To agree and implement the Terms of Reference for the Investment Board; and
- To confirm the proposed appointments to the Investment Board including substitutes.

1.3. Recommendations

- It is recommended that Cabinet agrees:
 - To establish a sub-committee of Cabinet to be known as the Investment Board;
 - Delegates to the Investment Board the proposed terms of reference set out at Appendix 1;
 - Agrees the membership and substitute membership of the Investment Board as set out at Appendix 2;
 - That CMT is requested to draw up a schedule of meetings for the Investment Board for the current municipal year.

Wards Affected	All
Portfolio Holder(s)	Cllr Chris Boden, Leader and Portfolio Holder, Finance
Report Originator(s)	Paul Medd, Chief Executive Officer Peter Catchpole, Chief Finance Officer and Corporate Director Carol Pilson, Corporate Director and Monitoring Officer Gary Garford, Corporate Director Amy Brown, Deputy Monitoring Officer

Contact Officer(s)	Paul Medd, Chief Executive Officer Peter Catchpole, Chief Finance Officer and Corporate Director Carol Pilson, Corporate Director and Monitoring Officer Gary Garford, Corporate Director Amy Brown, Deputy Monitoring Officer
Background Paper(s)	Cabinet Report dated 9 th January 2020 Council Report dated 9 th January 2020 Commercial & Investment Strategy Appendix 1 – Proposed Terms of Reference Appendix 2 – Proposed Appointments to the Investment Board

2.1 Investment Board

At the time of writing it is anticipated that following its meetings on 9th January 2020, Cabinet and Council will recommend and agree the recommendations and governance arrangements necessary to give effect to the (currently draft) Commercial Investment Strategy and the creation of a Local Authority Trading Company.

As part of these arrangements it will be proposed that Cabinet creates a subcommittee delegating to it authority to take the decisions necessary to facilitate delivery of Parts 2 and 3 of the Strategy in accordance with its terms of reference.

The proposed functions of Cabinet and the Investment Board are defined in more detail at paragraph 1.2 of Appendix 1 and have (to the extent that they are applicable to the Council's companies and partnerships) been drawn up with reference to the LLG Code of Practice.

It is recommended, subject to endorsement by Council on 9th January 2020 that Cabinet creates a subcommittee to be known as the Investment Board and approves the terms of reference set out in paragraph 1.2 of Appendix 1.

2.2 Appointments to the Investment Board

The Leader's proposed appointments to the Investment Board are set out in Appendix 2 and include substitute members. The terms of reference require that the Investment Board is comprised of the Leader together with 2 Cabinet Members (one of whom must be the finance portfolio holder when these do not comprise part of the Leader's portfolio).

3.1 Next Steps

Following establishment of the Investment Board and approval of the terms of reference and appointments to it, Cabinet is recommended to request that CMT draws up a schedule of meetings for the current municipal year. The terms of reference specify that the Investment Board will meet quarterly however, as per the proposals presented to Cabinet and Council on 9th January 2020, it is intended that a LATCo is established to become operational by April 2020 or as soon as practical thereafter. The Investment Board along with Cabinet will play a key role in this process via their respective and specific functions as newly agreed. It is therefore requested that Cabinet request a schedule of meetings for the current municipal year and with reference to the key milestones/governance necessary to bring the LATCo into effect.

APPENDIX 1 - PROPOSED TERMS OF REFERENCE

1.1 CABINET

Cabinet will be responsible for the following specific functions in relation to the Commercial Investment Strategy and the Council's companies and partnerships:

- (a) Conducting a formal review of the Commercial Investment every 2 years and recommending any necessary amendments for approval by Full Council;
- (b) Agreement of process and documentation for approval of Part 2 and 3 proposals;
- (c) The establishment of any new company and/or partnership;
- (d) The decommissioning/winding up of existing companies or partnerships;
- (e) The determination of Articles of Association;
- (f) The determination of the percentage share of ownership;
- (g) The determination of Reserved Matters for example appointment or dismissal of Directors unless delegated to the Investment Board;
- (h) Scheme of delegations to the Investment Board and Officers;
- (i) To delegate to the Investment Board the requisite funding allocated for delivery of the Council's Commercial Investment Strategy and to oversee spending against that budget in accordance with the agreed processes.

1.2 INVESTMENT BOARD

1.2.1 Purpose

The Investment Board is responsible for implementing Parts 2 and 3 of the Commercial Investment Strategy including oversight of the Council's companies and partnerships.

The Investment Board will act as a decision-making body in relation to the functions delegated to it and will report to Cabinet in relation to the exercise of those functions.

Support and advice will be provided to the Investment Board by the Chief Executive, Section 151 Officer, Monitoring Officer and Director of Growth.

1.2.2 Membership and Operation of the Investment Board

The Investment Board will comprise a maximum of two Cabinet Members (one of whom should be the portfolio holder for finance if that position is not held by the Leader) in addition to the Leader who will determine their appointment annually.

The Leader will Chair the Investment Board and a Vice Chair will be selected from the elected members of the Investment Board.

The Investment Board shall meet on a basis agreed by itself with a minimum of 3 meetings per year.

The quorum shall be the Leader in the presence of a minimum of;

- one other Cabinet Member;
- one senior advisory officer (or their appointed deputy)

[An invitation to attend must have been provided to the Chair of O&S at least 5 clear days in advance of the meeting taking place. This notice period may be waived if the Chair of O&S or their nominated deputy so agrees.]

An invitation to attend must also have been provided to the section 151 officer and the Monitoring Officer (or their nominated deputies) which will normally be at least 5 clear days in advance of the meeting taking place.

The provisions relating to substitution set out at paragraph 28 of the Standing Orders shall apply to meetings of the Investment Board save that the Leader and Cabinet Members may only be substituted by Cabinet Members [and the Chair of O&S may only be substituted by the Vice Chairman]. Such substitutions to be notified to Council as part of the annual nomination process.

The Cabinet Procedure Rules shall apply to meetings of the Investment Board save in respect of paragraphs 1.6, 1.8, 2.2 (second paragraph), 2.3(g) and (h) and paragraph 2.5(d) which shall be disapplied.

1.2.3 Functions of the Investment Board

- (a) To determine investment appraisals submitted under Part 2 of the Council's Commercial Investment Strategy together with the most appropriate means of delivery;
- (b) To determine business cases submitted under Part 3 of the Council's Commercial Investments Strategy by the Council's companies and partnerships;
- (c) To determine the amount and terms of any investments, loans and assets required for the delivery of proposals approved in accordance with paragraphs (a) and (b) above from the agreed budget allocation;
- (d) To produce a report to Cabinet twice a year summarising its activities in accordance with paragraphs (a) to (c) above.
- (e) Approve the business plans of the Council's companies and partnerships;
- (f) To monitor performance and financial delivery in line with the approved business plans;
- (g) To ensure that those companies and partnerships comply with relevant Council policies, strategies and objectives;
- (h) To exercise decisions, where delegated by Cabinet, in relation to a company or partnerships' reserved matters;
- (i) To oversee the relationships between the Council and the Council's companies and partnerships in accordance with the Council's objectives.
- (j) To prepare and present an annual report to the Overview and Scrutiny Committee;

(k) To determine for each individual company or partnership whether the Investment Board recommends to Cabinet the delegation of any functions to the officers of the Council.

All other matters not falling within the remit of the Investment Board functions set out at (a) to (k) above will be referred to Cabinet for decision.

**APPOINTMENTS TO MEMBERSHIP OF COMMITTEES
FOR 2019/20**

Investment Board (3)	
Councillor Chris Boden	Councillor Ian Benney
Councillor Steve Tierney	
Substitutes: Councillor Sam Hoy and Councillor Chris Seaton	