

WAVERLEY BOROUGH COUNCIL

EXECUTIVE

8 OCTOBER 2019

Title:

PROPERTY MATTER - PROPERTY INVESTMENT ADVISORY BOARD – TERMS OF REFERENCE

**[Portfolio Holder: Cllr Mark Merryweather]
[Wards Affected: All]**

Summary and purpose:

This report proposes revised Terms of Reference of the Investment Advisory Board to clarify the objectives of the Board, and ensure that the membership supports the Council's ambitions.

How this report relates to the Council's Corporate Strategy:

The Council's General Fund Medium Term Financial Plan is supported by the work of the Investment Advisory Board to identify and evaluate opportunities for property investments that will provide a source of revenue to support delivery of the Corporate Strategy.

Equality and Diversity Implications:

There are no equality and diversity implications arising from this report.

Financial Implications:

The Property Investment Advisory Board supports the delivery of the Property Investment Strategy, which is a major work stream supporting the General Fund Medium Term Financial Plan.

Legal Implications:

The Property Investment Strategy is made possible by the "general power of competence" introduced by Section 1 of the Localism Act 2011. Local authorities now have a general power that enables them to do anything that a private individual is entitled to do, subject to certain statutory limitations. The power is designed to give local authorities considerable breadth of operation.

There are, however, some specific restrictions and it is important that each individual investment proposal is thoroughly examined before proceeding. The Investment Advisory Board receives detailed legal advice on the Council's property investment powers throughout its consideration of investment opportunities.

Climate change implications:

There are no climate change implications arising from this report.

Background

1. In 2016, the Council decided that it should seek to add to its General Fund Property Portfolio (“GFPP”) both to increase its income and, where possible, to support the local Borough economy by ensuring the availability of suitable office and other commercial space. Investment decisions are taken by the Council’s Executive on advice provided by the Investment Advisory Board (“IAB”) which comprises elected Members advised by relevant officers and external professional advisers.
2. In March 2018, the Council adopted a Property Investment Strategy which had been developed by the Customer Service and Value for Money Overview and Scrutiny Committee. This Strategy is being reviewed and an updated Strategy will be brought forwards later in the year that reflects updated legal advice on the powers of the Council to undertake different types of property investment using its own funds or through borrowing.
3. The Portfolio Holder for Finance, Assets and Commercial Services has reviewed the terms of reference of the IAB and proposes minor changes to the membership and terms of reference which reflect the updated legal advice, and the Council’s new Corporate Strategy 2019-23, which puts a greater emphasis than previously on provision of housing.
4. The proposed membership and terms of reference are attached at Annexe 1, which shows as tracked changes from the existing terms of reference which were agreed in March 2018.
5. It is also proposed that the IAB be called the Property Investment Advisory Board, to clarify that its remit excludes the Council’s treasury investments.

Conclusion

The Portfolio Holder’s proposed revised terms of reference of the Property Investment Advisory Board will enable the Council to respond promptly and effectively to investment opportunities that arise, and support its aim of generating income for the Council’s General Fund.

Recommendation

It is recommended that the Executive approves the revised membership and Terms of Reference of the Property Investment Advisory Board.

Background Papers

There are no background papers (as defined by Section 100D(5) of the Local Government Act 1972) relating to this report.

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