

**Meeting:** Council

**Date:** 22 September 2016

**Wards Affected:** All

**Report Title:** Supplementary Report to Capital Investment Fund – Overview and Scrutiny Board’s proposals for governance arrangements

**Is the decision a key decision?** No

**When does the decision need to be implemented?** As soon as possible

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## 1. Proposal and Introduction

1.1 The Overview and Scrutiny Board received the Capital Investment Fund proposals at its meeting on 14 September 2016. The Board requested the Assistant Director of Corporate Services to prepare an alternative governance arrangement for the Fund, as described the Board’s draft resolution below:

‘Resolved: (i) that the Assistant Director – Corporate and Business Services be requested to prepare a supplementary report to the Council setting out a revised set of governance arrangements for the Capital Investment Fund based on the views expressed by the Board, namely:

- Any investment decisions up to £5 million to be agreed by an politically balanced Investment Committee
- Any investment decisions of £5 million or over to be agreed by the Council
- The members of the Investment Committee to receive appropriate training
- If any two members of the Investment Committee vote against a decision at the Committee, then the decision should be referred to the Council; and

(ii) that the Chairman of the Investment Committee report back to the Council after three months of operation of the Investment Fund to provide assurance that the Fund is maximising the use of its resources and to provide any revised projections on the income generated by the Fund.’

1.2 This report sets out the alternative governance arrangements recommended by the Board.

## **2. Reason for Proposal**

- 2.1 To set out the Overview and Scrutiny Board's proposals for alternative governance arrangements for the Investment Fund.

## **3. Recommendation(s) / Proposed Decision**

- 3.1 That the Council appoints an Investment Committee, comprising of 6 members (politically balanced and to receive mandatory training, including any substitutes) and with terms of reference as follows:
1. To review the Strategy and make recommendations to the Council for revision of the same.
  2. To determine any investment or purchase using the Investment Fund up to the value of £5 million, in accordance with the Investment Strategy. All investments or purchases to be subject to a (documented) review by the s151 Officer, Monitoring Officer, Fund Manager and Executive Head of Business Services.
  3. To receive performance reports on the Investment Fund on a quarterly basis.
- 3.2 Where two or more members of the Committee vote against decisions of the Committee the matter stand referred to the Council for decision. The quorum of the Committee will also be a minimum of four members in attendance (rather than three) to ensure the voting procedures meet the intended requirements. The Monitoring Officer be requested to update the Standing Orders within the Constitution to reflect the voting provision and a quorum of four for this Committee. This approach will provide the Council with confidence in respect of the Committee's decision-making on major financial issues.
- 3.3 Any investment decisions in excess of £5 million to be approved by the Council.