

ANNEX TWO

# Overview & Budget Scrutiny Committee

16<sup>th</sup> November 2017



SURREY

# Investment Strategy

## Contents

- Introduction & Purpose
- Size of the Portfolio
- Strategy Review
- Decision Process
- Investment Returns



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# Investment Strategy

- The Investment Strategy was agreed by Cabinet in July 2013
- Its primary purpose is to deliver an ongoing income stream
- From the creation of a diversified and balanced portfolio of investments
- The Strategy also –
  - Will provide the means to make investments that support economic growth the in the County
  - And enables investment in existing assets to enhance income generation







# Decision Process

- The ability to grow the portfolio will be dependent upon –
  - Appropriate opportunities coming to the market
  - Securing investments at the right price in competition with other buyers
  - Our ability to deliver to timescales required by the vendor
- In order to speed up the decision making process the Cabinet delegated investment approval decisions to the Investment Board
- Decisions made by the Investment Board are reported to Cabinet each month



# Decision Process



Vendors represented by their agents send details of investments both on the market and off-market to us for consideration



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# Decision Process



Initial evaluation

Does the opportunity to contribute to achieving a diversified portfolio?

If so, key characteristics are evaluated including an initial view of the criteria in the investment matrix [by CBRE].



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# Decision Process



Short-listed opportunities

Initial evaluation

More detailed analysis completed including a detailed financial appraisal. The property is visited and initial inspections completed



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# Decision Process



Initial  
evaluation

Short-listed  
opportunities

Investment Board

Consider investment opportunity –

- Investment Report
- Property Details
- Financial Analysis
- Investment Matrix

A note of any decisions made is reported to the next Cabinet meeting



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# Decision Process



Initial  
evaluation

Short-listed  
opportunities

Investment  
Board

Prior to  
Completion

Legal and  
property due-  
diligence  
including-

- Red book  
valuation
- Detailed  
surveys
- Legal title
- etc.



# Who invests?



Investments that are within the county of Surrey and which contribute to an economic outcome or provide for potential future service use

Investments for their income return and outside of the County

Total Investment Portfolio

