

Overview & Budget Scrutiny Committee

16th November 2017

Investment Strategy

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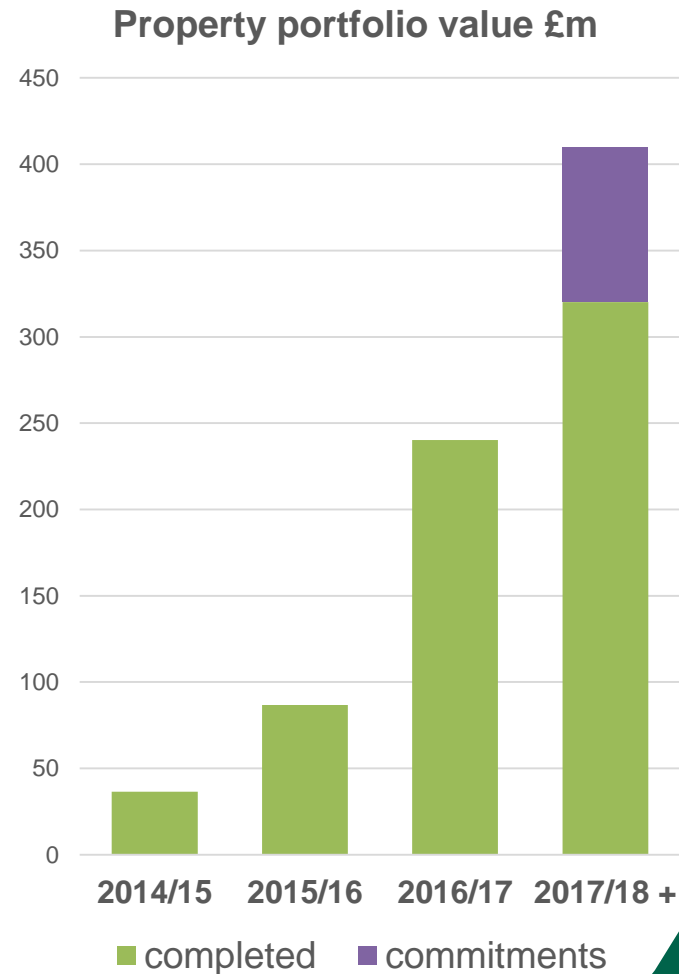
- Introduction & Purpose
- Size of the Portfolio
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Investment Strategy

- 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

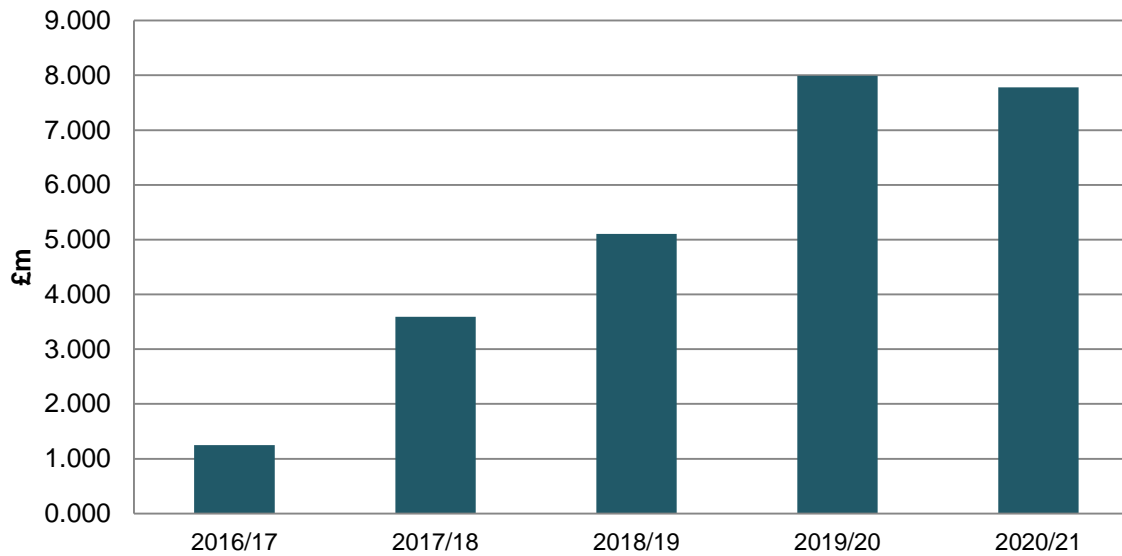
Investment Strategy

- The Strategy was reviewed by Cabinet in March 2017
- This confirmed an ambition to deliver a net income of £10m per annum from 2020/21
- This could mean an asset base of between £500m and £1,000m (depending upon the mix)
- Assets purchased to date (£320m) plus commitments (£89m) create an asset base of £409m so far



Investment Strategy

Property Assets Net Investment Income
(delivered by existing and committed investments)



- Investments already made and committed investments will deliver a net income of £3.7m this year, increasing to £5.1m next and £8.0m by 2019/20 once the second phase of the Crawley development is completed.

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



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].



Decision Process



Short-listed opportunities



Initial evaluation

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



Decision Process



Initial
evaluation

Short-listed
opportunities

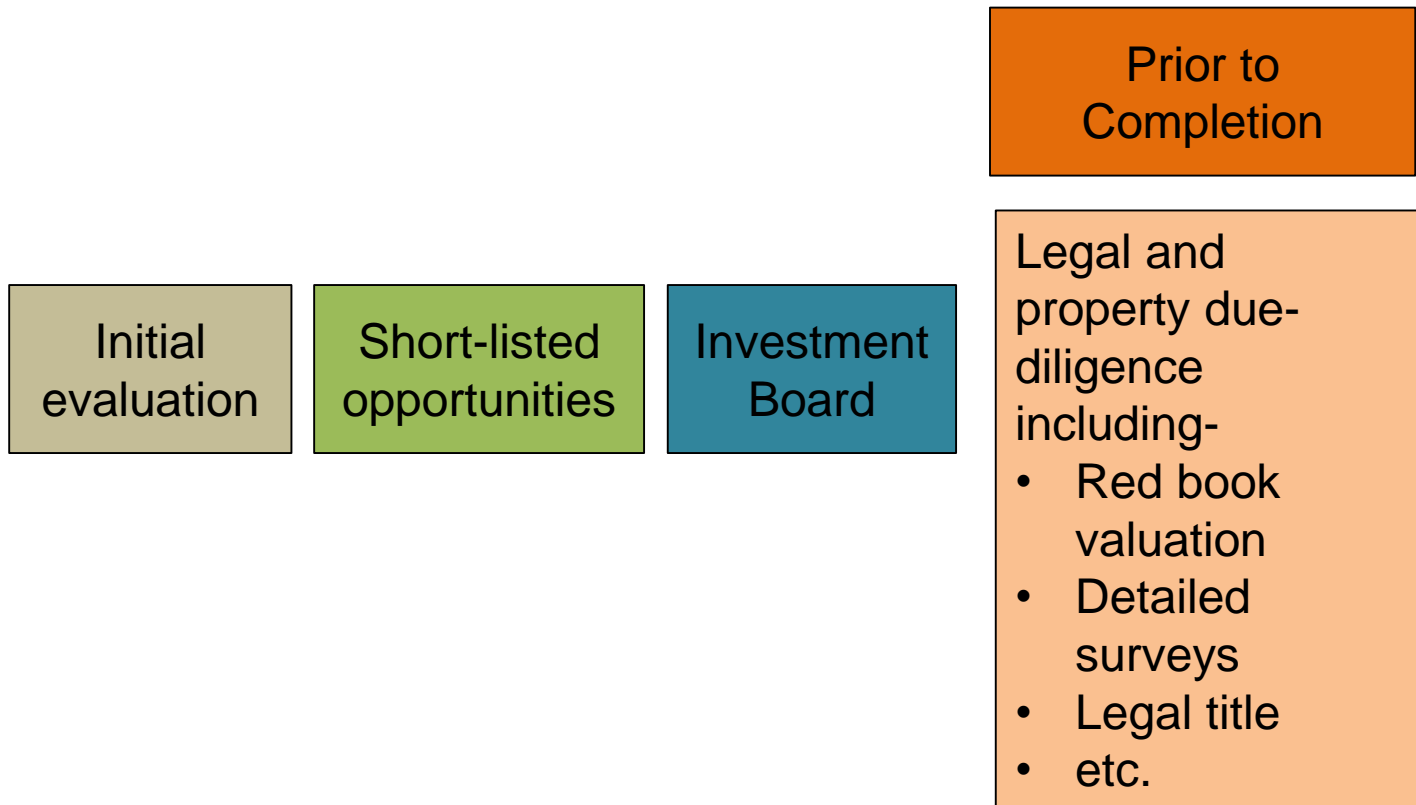
Investment Board

Consider investment opportunity –

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

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

Decision Process



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