

SURREY COUNTY COUNCIL**CABINET****DATE: 23 FEBRUARY 2021****REPORT OF: MR TIM OLIVER, LEADER OF THE COUNCIL****LEAD OFFICER: LEIGH WHITEHOUSE, EXECUTIVE DIRECTOR OF RESOURCES****SUBJECT: STRATEGIC INVESTMENT BOARD ANNUAL REPORT - FINANCIAL YEAR 2019/20****ORGANISATION STRATEGY PRIORITY AREA: Growing A Sustainable Economy So Everyone Can Benefit/ Tackling Health Inequality/Enabling A Greener Future/Empowering Communities****REPORT FOR INFORMATION / DISCUSSION:**

As part of its strategy to innovate in developing new models of delivery and to benefit from the freedoms introduced by the Localism Act, Surrey County Council had made investments and created trading companies to deliver income and efficiencies and in doing so has established a Strategic Investment Board, which reports annually to the Council. The purpose of the Board was to safeguard the Council's interest as shareholder and to take decisions in matters that required the approval of the Council as owner of a company.

The report will be considered by the Strategic Investment Board at its meeting of 16 February 2021.

RECOMMENDATIONS:

Cabinet recommends that Council:

1. Endorse the Annual Report of the Strategic Investment Board.

REASON FOR RECOMMENDATIONS:

To inform the Council about the activities of the Strategic Investment Board.

The Strategic Investment Board has been established in accordance with best practice governance to ensure effective oversight and alignment with the strategic objectives and values of the Council.

DETAILS:

1. The Strategic Investment Board was created in June 2019 following the combining of the Shareholder Board and the Investment Board. The Shareholder Board and the Investment Board were created following the report to Cabinet in March 2013 outlining the Council's strategic approach to innovation and evaluating new models of delivery. It has been established in accordance with best practice governance principles to ensure effective over-sight and alignment with the strategic objectives and values of the Council. The Board's responsibilities and powers include:
 - approval of annual business plans; and
 - reviewing the financial and overall performance of trading companies; and

- appointing and removing directors.
2. The Strategic Investment Board is comprised of the Leader of the Council, the Deputy Leader and the Cabinet Member(s) with portfolio responsibility for Property, for Corporate Support, and for Finance and is supported by senior officers of the Council, including the Section 151 Officer (Executive Director of Resources) and the Monitoring Officer (Director of Law & Governance).
 3. The Board works in accordance with its Terms of Reference which are reviewed on an annual basis.
 4. Meetings are scheduled to take place on a monthly basis.

CONSULTATION:

5. The Strategic Investment Board will consider the Annual Report at its meeting on 16 February 2021.

RISK MANAGEMENT AND IMPLICATIONS:

6. Effective risk management is a vital part of the Council's approach to innovation and establishing new models for service delivery and to generate income. The Strategic Investment Board provides the governance to ensure that risks are effectively managed.

FINANCIAL AND VALUE FOR MONEY IMPLICATIONS:

7. Effective risk management is a vital part of the Council's approach to innovation and establishing new models for service delivery and to generate income. The Shareholder Board provides the governance to ensure that risks are effectively managed.

SECTION 151 OFFICER COMMENTARY:

8. Although significant progress has been made over the last twelve months to improve the Council's financial position, the medium term financial outlook beyond 2021/22 remains uncertain. The public health crisis has resulted in increased costs which may not be fully funded. With uncertainty about the ongoing impact of this and no clarity on the extent to which both central and local funding sources might be affected in the medium term, our working assumption is that financial resources will continue to be constrained, as they have been for the majority of the past decade. This places an onus on the Council to continue to consider issues of financial sustainability as a priority in order to ensure stable provision of services in the medium term. As such, the Section 151 Officer supports the recommendation contained in this report.

LEGAL IMPLICATIONS – MONITORING OFFICER:

9. There are no direct legal implications arising from this report. The legal basis for company ownership and oversight is explained in the body of the report.

EQUALITIES AND DIVERSITY:

10. There are no direct equalities implications arising from this report.

OTHER IMPLICATIONS:

11. There are no other implications arising from this report.

CORPORATE PARENTING/LOOKED AFTER CHILDREN IMPLICATIONS:

12. There are no implications arising from this report.

SAFEGUARDING RESPONSIBILITIES FOR VULNERABLE CHILDREN AND ADULTS IMPLICATIONS:

13. There are no implications arising from this report.

ENVIRONMENTAL SUSTAINABILITY IMPLICATIONS:

14. There are no implications arising from this report.

PUBLIC HEALTH IMPLICATIONS:

15. There are no implications arising from this report.

WHAT HAPPENS NEXT:

16. Cabinet is requested to endorse the annual report of the Strategic Investment Board and present to Council.

Contact Officer:

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Consulted:

Strategic Investment Board

Annexes:

Annex A – Annual Strategic Investment Board Report

Annex B- Annual Strategic Investment Board Report (Part 2)

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