

RESCOURCES AND PERFORMANCE SELECT COMMITTEE

MONSAY, 18 OCTOBER 2023



## **STRATEGIC INVESTMENT BOARD ANNUAL REPORT - FINANCIAL YEAR 2022/23: for review by Resource & Performance Select Committee**

### **Purpose of report:**

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 is due to be considered by the Strategic Investment Board at its meeting in December 2023. As part of good governance, it has previously been agreed to have the annual and mid-year reports scrutinised in advance by the Resource & Performance Select Committee.

### **Executive Summary:**

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 oversight and alignment with the strategic objectives and values of the Council. The Board's responsibilities and powers include:
  - a) approval of annual business plans; and
  - b) reviewing the financial and overall performance of trading companies; and
  - c) appointing and removing directors.

2. The Strategic Investment Board is comprised of four members of the Council's Cabinet 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 monthly basis.

#### **Risk Management and Implications:**

5. 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:**

6. The Strategic Investment Board is responsible for monitoring the financial performance of companies in which the council owns shares and also maintains oversight of the Council's group position. The Board and its advisors ensure that the relationship between the Council and its companies are on an "arms-length" basis as required by legislation. This means, for example, that the Council must recover the full cost of any accommodation, goods and services supplied to a trading company. Any financial assistance provided must be for a limited period, provided under a formal agreement and made in the expectation of returns in the future.

#### **Recommendations:**

7. It is proposed, in respect of the Annual Report of the Strategic Investment Board (Annex A), that:
  - a) The Resource and Performance Select Committee reviews and notes the Report, and
  - b) The Strategic Investment Board approves the report

#### **Next steps:**

The report is due to be considered by the Strategic Investment Board at its meeting in December 2023. Cabinet will then be asked to endorse the report.

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**Sources/background papers**

N/a

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