

SURREY COUNTY COUNCIL**STRATEGIC INVESTMENT BOARD****DATE: 5 DECEMBER 2023****REPORT OF: MR TIM OLIVER, LEADER OF THE COUNCIL****LEAD OFFICER: LEIGH WHITEHOUSE, DEPUTY CHIEF EXECUTIVE AND EXECUTIVE DIRECTOR FOR RESOURCES****SUBJECT: STRATEGIC INVESTMENT BOARD ANNUAL REPORT 2022/23****REPORT SUMMARY:**

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 is 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.

RECOMMENDATION:

It is recommended that:

1. The Strategic Investment Board Annual Report (Annexes A and B) is endorsed, and the reports are presented to Cabinet on 30 January 2024.

REASON FOR RECOMMENDATION:

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:**Background**

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 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 a monthly basis.

CONSULTATION:

5. The Strategic Investment Board are considering the Full Year Report at their meeting of 5 December 2023.
6. Directors of subsidiary companies have been consulted on the report.

RISK MANAGEMENT AND 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 Strategic Investment Board provides the governance to ensure that risks are effectively managed.

Financial and Value for Money Implications:

8. There are no direct financial implications arising from this report. The financial performance of the companies is detailed in the body of the report.

Section 151 Officer Commentary:

9. Significant progress has been made in recent years to improve the Council's financial resilience and the financial management capabilities across the organisation. Whilst this has built a stronger financial base from which to deliver our services, the increased cost of living, global financial uncertainty, high inflation and government policy changes mean we continue to face challenges to our financial position. This requires an increased focus on financial management to protect service delivery, a continuation of the need to be forward looking in the medium term, as well as the delivery of the efficiencies to achieve a balanced budget position each year.
10. In addition to these immediate challenges, the medium-term financial outlook beyond 2023/24 remains uncertain. With no clarity on central government funding 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 the stable provision of services in the medium term.

11. As such, the Section 151 Officer supports the recommendation contained in this report.

Legal Implications – Monitoring Officer:

12. 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:

13. There are no matters impacting equality and diversity as a result of this transfer.

Corporate Parenting/Looked After Children implications:

14. No implications arising from this report.

Safeguarding responsibilities for vulnerable children and adults implications:

15. No implications arising from this report.

Environmental sustainability implications:

16. No implications arising from this report.

Public Health implications:

17. No implications arising from this report.

WHAT HAPPENS NEXT:

18. Next steps:

- The Strategic Investment Board are requested to endorse the report.
- Cabinet will be requested to endorse the annual report of the Strategic Investment Board on 30 January 2024 and present to Council.

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Annexes:

Annex A – Annual Strategic Investment Board Report (Part 1)
Annex B – Annual Strategic Investment Board Report (Part 2)

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