

**PROPERTY INVESTMENT BOARD**

**TERMS OF REFERENCE**

**Membership**

The PIB is to be chaired by the Property Portfolio Holder who will undertake formal decisions in accordance with the Council's delegation scheme for executive functions (for example including advanced notice in the Forward Plan and scrutiny/call in procedures. Members will also be able to review progress through the Major Projects Board). The PIB will be advised by external investment/technical expertise. In attendance will also be the Portfolio Holder for Resources, the Head of Regeneration & Development, the Section Head for Property, the Head of Democracy & Governance, the Director of Finance (or her representative) and the Managing Director.

It is proposed initially that LSH will attend as the external party for the council providing private sector expertise. LSH are well placed having reviewed the council's investment and occupational assets. This has been discussed with LSH and if progressed they would assign one of their directors to the PIB so that there is continuity and would call upon specific expertise as required depending on the projects and opportunities to be discussed. It is estimated that a cost of £12,500 pa is set aside to cover LSH servicing costs of the PIB which is based on reviewing papers, attendance at quarterly meetings and general ad hoc advice. This is based on the rates set out in their tender return from the Government's GPS panel relating to work they undertook on the Property Review. It is proposed that the initial appointment be for a period of 3 years.

10 Should LSH carry out any additional work outside the above scope such as disposals, acquisitions, building surveying or lease advisory work discounts to their standard fees would apply. Should any additional work of this nature be required by LSH or other consultants this would be looked at in the context of that specific project and form part of the approval process of those individual projects or tasks.

3.11 The issue of continued day to day management including rent collection could be incorporated into LSH role however with the proposed change in the Investment Portfolio and it becoming less management intensive it is thought that in the long term this can be managed in house in the medium term.

3.12 **Role**

The role of the PIB is to focus on the Council's Investment Portfolio (page 32 LSH report refers) in order to:

- a. develop an overall Investment Portfolio Management Strategy
- b. fully appraise the Investment Portfolio to build on the strengths of the existing Portfolio and tackle the weaknesses (LSH report page 30 refers);
- c. determine the risk appetite for diversifying investment and maximising

investment returns

- d. set a target for growth investment revenue returns and take the necessary action to achieve the target
- e. review business cases for disposals, authorising disposal and disposal methodology, and enabling a rebalancing of uses away from a reliance on retail
- f. determine the corresponding Property financial strategy such as policy on rent reviews, yields, capital values and the cost of holding assets
- g. authorise the acquisition of land interests, assets and make investment decisions taking account of the overall Investment Portfolio Management Strategy
- h. agree a reinvestment programme, determining the level of recycling of receipts into investment yielding assets or to support the Council's capital or revenue programme
- i. to manage risk through recommending holding a mixture of assets (pages 37 – 39 LSH report refers and LSH report Appendix 4, private agenda)
- j. to make decisions on development portfolio, operational portfolio and community assets business cases referred to it.