

Appendix 1 - SHDC Invest to Earn Working Group – Terms of Reference
(Originally presented & approved by Executive 9th March 2017, amended to reflect membership as at May 2017 & clarify governance arrangements)

Purpose & Role of the group:

- The identified group will work in conjunction with officers on any project or initiative linked to income generation, investment strategy or efficiency improvement.
- Members will provide input and engage/act as advocates with the wider membership.
- Members will suggest, consider and evaluate proposals and help officers to shape these, agreeing parameters, criteria and ultimately assist with building credible business cases for presentation and approval at the appropriate Council committee.
- The group will report to the Council Executive.
- The initial focus of the group will be to consider (in priority order):
 - A singular or series of significant capital acquisitions(s) of commercial property using prudential borrowing;
 - Agreeing a balanced acquisition strategy
 - Using the Council's existing funds and/or assets and/or acquiring new assets to derive income and community benefits;
 - Other income generation and efficiency opportunities

Membership:

- The group will be made up 5 elected Members, working with officers from the Finance & Assets Community of Practices and from Strategy & Commissioning. Other officers will interact with the group on an 'as needs' basis
- The group will be politically balanced
- The elected members will have as a minimum an interest in the financial sustainability of the Council. Knowledge of the Council's property assets and an understanding of investments is preferable
- Any Member missing three consecutive meetings shall be dropped and a replacement sought
- Other Members & officers are welcome to observe group meetings and may be invited by the Chair to participate as required

Accountability:

- Group members are responsible for reporting back on the activities of the group to their political group and the wider elected membership
- Officers will make recommendations to the group from time to time. The chair will hold a vote on to determine whether these should be progressed, with all elected Members having one vote. In the event of a tie, the Council's S151 officer will decide whether or not that recommendation should be made to the appropriate Council committee or delegated authority. All elected group Members must vote for the vote to be valid
- For the avoidance of doubt, the group themselves cannot determine whether an opportunity should proceed (or funds be expended) if such an opportunity needs delegated authority approval or Council committee approval in line with the Council's constituted scheme of delegation
- Once the 'Invest to Earn' group have agreed to support a recommendation, it will be presented to the delegated authority for approval of lodging a bid. If approved, officers will negotiate the

purchase with the retained agent and vendor in order to complete the due diligence, negotiation and acquisition process. Officers will revert to the delegated authority if through the due diligence or negotiation process, any of the purchase criteria parameters are altered by +/- 15% (relative to the measure). This may necessitate the rescinding the bid or a recommendation to Council to alter the acquisition strategy.

- The appointed chair must vote in line with the 'Invest to Earn's' group decision when representing the group

Review:

- The group will review the relevance and value of its work and the terms of reference every year, with the first review due in January 2018
- The group may elect to undertake a review ahead of this time if it so chooses.

Meetings:

- Meetings will be chaired by one of the group members. A vote for chair will take place at the first meeting with each elected Member having one vote. In the case of a tie, the Leader of the Council will have the casting vote. The role of chair will be reviewed annually.
- Meetings will be convened as and when required and held at least 4 times a year
- The Group Manager, Business Development will act as secretariat for the meetings and will be responsible for the circulation of an agenda and papers before each meeting