

**GENERAL ARRANGEMENTS FOR THE ASSET MANAGEMENT INVESTMENT FUND**

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**1.0 SUMMARY**

- 1.1 Following the setting of the Council budget on 11 February 2016 and the creation of the Asset Management and Investment fund this paper updates Members on the proposed remit of the fund, the governance arrangements for its operation and the operational responsibility for its management.

**2.0 RECOMMENDATIONS**

- 2.1 Members are asked to agree the governance arrangements, remit and operational arrangements as outlined herein.

**3.0 DETAIL**

- 3.1 At the Council's budget meeting on 11 February 2016 Members agreed to set up the Asset Management and Investment Fund.

**3.2 Governance Arrangements**

All matters in regard to setting of the overall remit and purpose of the fund shall be determined by the Policy and Resources Committee.

The Executive Director of Customer Services will report directly to the Policy and Resources Committee on a regular basis in regard to the operation and performance of the Asset Management and Investment Fund.

**3.3 Remit**

In regard to the Asset Management and Investment fund:

- The purpose of this fund is to generate income for the Council by seeking out investment opportunities that will provide the Council with a commercially advantageous financial return on investment having regard to the governance framework agreed by the Council in relation to the fund;
- Each investment proposal will require a clear business case to demonstrate a level of commercial return and a risk profile acceptable to the Council;
- The fund shall operate within the terms of the Council's Treasury Management Policy and operational decisions in regard to investments will be undertaken in terms of the Council's Treasury Management Practice Statements.
- The Executive Director of Customer Services and the Head of strategic Finance will consider and propose to the Council any alterations to the Treasury Management Policy and Treasury Management Practice Statements necessary to enable it to take advantage of investment opportunities that arise within and out-with the Council area.

### 3.4 Operational Arrangements

Overall responsibility for the management and operation of the Asset Management and Investment fund will lie with the Executive Director of Customer Services.

The operation of the fund will require an alternative approach to the utilisation of the allocated resources, the assessment and management of relevant risks, and the scrutiny of the funds operation by Members through the Policy and Resources Committee.

Each decision in regard to any investment shall be made by the Executive Director of Customer Services with the agreement of the Head of Strategic Finance (as the Council's section 95 officer), the Chief Executive and after consultation with the policy lead for Customer Services. The investment shall be effected by the Head of strategic Finance in terms of the Treasury Management Practice Statements.

The business case for each investment decision will clearly set out the economic return expected with an assessment of risk in regard to the particular investment and shall clearly demonstrate compliance with the Council's Treasury Management Strategy.

The Executive Director will make arrangements for the proper administration of the fund utilising external advice and expertise where considered appropriate and will consult with the Head of Strategic Finance as the Council's Section 95 Officer as appropriate and report matters regularly to the Strategic Management Team.

The Executive Director will report regularly to the Council's Policy and Resources Committee on the performance and operation of the funds and the general arrangements that are in place. The Executive Director will discuss and consult on relevant changes to the Council's constitution to reflect revised delegations for the operation of the fund and report matters to Members in due course.

## **4.0 CONCLUSION**

- 4.1 These arrangements set out the proposed remit and the governance and operational arrangements for the Asset Management and Investment fund following the creation of the fund at the Council budget meeting on 11 February 2016. The fund shall operate within the terms of the Council's Treasury Management Policy and operational decisions in regard to investments will be undertaken in terms of the Council's Treasury Management Practice Statements.

## **5.1 IMPLICATIONS**

- 5.1 Policy – This follows on from the Council's budget meeting on 11 February 2016 when members agreed to set up the Asset Management and Investment Fund.
- 5.2 Financial – The Asset Management and Investment fund and it's proposed operation are in accordance with the Council's Treasury Management Policy and Treasury Management Practice Statements.
- 5.3 Legal – The Executive Director will make arrangements for the proper administration of the fund utilising external advice and expertise where considered appropriate and will consult with the Head of Strategic Finance as the Council's Section 95 Officer as appropriate and report matters regularly to the Strategic Management Team.

5.4 HR – None at present.

5.5 Equalities –None at present

5.6 Risk – The business case for each investment decision will clearly set out the economic return expected with an assessment of risk in regard to the particular investment and shall clearly demonstrate compliance with the Council's Treasury Management Strategy.

5.7 Customer Service – None at present.

For further information please contact David Logan, QIO Special Projects - 01546-604322

**Douglas Hendry – Executive Director Customer Services  
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**Policy Lead: Councillor Dick Walsh**