

Terms of Reference

Investment and Property Subcommittee

Membership

The Investment and Property Subcommittee shall be comprised of five (5) councillors, two (2) Independent Tangata Whenua members, two (2) Independent Advisors and one (1) Independent Consultant member as follows:

Chair:	Cr R Stolwerk
Members:	Cr J Blackwell Cr J Crow Cr G Crawford Cr P Jones
Māori representation:	Two (2) tāngata whenua members, TBA (voting rights)
Ex officio:	Chair Tui Shortland (voting rights)
Independent Consultant:	J Eriksen (non-voting) Will provide independent financial advice to the Investment and Property Subcommittee.
Independent Advisors	S Henderson (Independent Financial Advisor) and TBA (Independent Risk Advisor) (both non-voting)

Standing orders apply.

Quorum

The quorum for meetings of the subcommittee shall be five. Ex-officio and independent members count towards a quorum.

Vision, mission and areas of focus (Long Term Plan 2021-2031)

Our Northland – together we thrive. Working together to create a healthy environment, strong economy and resilient communities.

This subcommittee will contribute directly to the following areas of focus:

- A strong and sustainable regional economy

Objectives

The objectives of the subcommittee are to:

- Provide oversight and assistance to the Chief Executive on council's investment activities within established limits, ensuring external accountabilities and responsibilities are fulfilled;
- Provide oversight and assistance to the council's Chief Executive to negotiate property sale and purchase agreements;
- Make recommendations to council on investment fund matters;
- Make recommendations to council on property investment matters; and
- Manage investment returns that can influence operational budgets and public equity.

Role and Responsibilities

The subcommittee is directly responsible and accountable to the council for the exercise of its responsibilities. In carrying out its responsibilities, the subcommittee must at all times recognise that primary responsibility for management of the council rests with the Chief Executive.

For reasons of efficiency and/or expediency, should the subcommittee not be able to perform their functions, the council will assume their role and responsibilities.

Working Groups

The subcommittee is further authorised to fulfil its role and responsibilities through the establishment or disestablishment of other working groups as the subcommittee sees fit. Working groups can include councillors, independent members, and advisors whose skills and experience are appropriate to the work being done. The staff member responsible to provide support to the working groups shall be the Chief Executive, who may delegate the role.

DELEGATED AUTHORITY AND FUNCTIONS

The council authorises the subcommittee, within the scope of its Terms of Reference, role and responsibilities, to:

1. General

- a. Make decisions in accordance with the Terms of Reference
- b. Move investment funds between various managed funds within approved limits provided for in the Statement of Investment Policy and Objectives (SIPO).
- c. CEO to withdraw and invest in the Short Term Fund within established delegations.
- d. CEO to withdraw and invest funds held in term deposits being self-managed cash reserves.
- e. Recommend manager(s) of new funds for approval by council.
- f. Ensure that there are no withdrawals from funds except the Short Term Fund without the approval of council.
- g. Subject to operating within approved budget allocation - obtain information it needs from the CEO and/or external party (subject to their legal obligation to protect information);
- h. Discuss any matters with the external auditor, or other external parties (subject to confidentiality considerations);
- i. Request the attendance of any employee, subject to the Chief Executive's approval, at meetings of the subcommittee or its working groups;
- j. Subject to operating within approved budget allocation - obtain external legal or other professional advice, as considered necessary to meet its responsibilities, at the council's expense;
- k. Co-opt a person as a (non-voting) member of the subcommittee to assist with special projects;

- l. Recommend to council that additional members be appointed to the subcommittee should it consider wider representation would be of assistance in performing its functions;
- m. Appoint working groups to make recommendations to the subcommittee on any matters of responsibility within the subcommittee's Terms of Reference, and act in accordance with resolutions of the subcommittee (in line with specific limitations) where there is urgency or special circumstance;
- n. To regularly report progress on its functions to the council; and
- o. Undertake such other functions as may be delegated by council from time to time.

2. Financial Management and Reporting

In relation to the purpose of this subcommittee:

- a. Monitor and report on the financial performance of all funds against budget.
- b. Make recommendations to council on any forecast variances against budget.
- c. Determine the means of financial reporting to council and the public.

3. Funding, Financial and Other Policies

In relation to the purpose of this subcommittee:

- a. Contribute to the review of any changes required to relevant sections of the council's funding and financial policies (including those required under Section 102 of the Local Government Act (LGA) 2002) specifically the:
 - i. Revenue and Financing Policy; and
 - ii. Investment Policy

4. Investment Functions

In relation to the purpose of this subcommittee:

- a. To periodically review council's overall investment portfolio and provide recommendations to council as to adjustments to maintain an appropriate investment mix.
- b. Ensure there are no withdrawals from the Long Term Fund without the approval of council, other than for operational funding from gains made in the fund and as budgeted in accordance with the current Long Term Plan or Annual Plan.
- c. Undertake the investment functions referred to in the Investment Policy adopted within the current LTP. These functions include:
 - i. To review performance and compliance against council's Investment Policy and reporting for all the council's investment funds (Statement of Investment Policy and Objectives).
 - ii. To make investment decisions within the subcommittee's delegations;
 - iii. To make recommendations to council on any changes that fall outside the subcommittee's delegations including changes to the construction of investment portfolios, the Investment Fund Statement of Investment Policies and Objectives, the Investment Policy, and investment management appointees.

- iv. To recommend to the council targets, policies and strategies for undertaking its investment activities.
- v. To oversee the administration and review of the council's investment opportunities within the subcommittees delegated authority and make recommendations to council as appropriate.

5. Property Investment Functions

The subcommittee's responsibilities are to:

- a. To work with the CEO to negotiate sale and purchase agreements for properties (within +/- 5% of their valuation) and provide appropriate sale and purchase recommendations to council for consideration.
- b. Undertake the property investment functions referred to in the Treasury Management Policy adopted within the current LTP. These functions include:
 - i) To review performance and compliance against council's Treasury Management Policy (and its objectives);
 - ii) To make recommendations to council on any changes to the subcommittee's delegations, the objectives and policies in the Treasury Management Policy;
 - iii) To recommend to the council targets, policies and strategies for undertaking its property activities.
 - iv) To oversee the administration and review of the council's property investment opportunities within the subcommittees delegated authority and make recommendations to council as appropriate.

6. No Delegated Authority – Power to Act

In Accordance Clause 32 (1) of Schedule 7 of the Local Government Act 2002, the subcommittee does not have the powers of council to borrow money or purchase or dispose of assets.
