Treasury and Capital Management Group (TCMG) – Terms of Reference

Constitution

The creation of TCMG was approved by Council on 29th July 2015. The TCMG is a sub-committee of the Cabinet, it includes the Executive Leader, Deputy Executive Leader and the Executive Councillor for Strategic Finance, as well as relevant members of the Corporate Management Team (including the Managing Director and/or Corporate Director {People}) and the Responsible Financial Officer.

Purpose

The primary role of the TCMG is to agree;

- Treasury management investment decision (including the acquisition and disposal of assets).
- The capital programme and the undertaking of all capital development, including the approval of business cases.
- Comment on treasury management performance.
- Call officers to account in respect of performance relating to capital projects.
- To review, support and guide the operation of the Commercial Investment Strategy.
- To review, support and guide the treasury management function including new investment opportunities *(audit recommendation)*[i]

In addition

- The Leader and Executive Councillor shall be kept informed of the negotiation process for disposals and acquisitions and the relevant ward councillor be informed prior to sale.

Disposals and Acquisitions Governance Thresholds

TCMG is part of the disposals and acquisition process with limits as in the below table.

Disposals and acquisitions limits;

Limit	**Decision by**
£0 - £500,000	Managing Director (as Head of Paid Service) and the S151 Officer, following consultation with Executive Councillor for Strategic Finance.
£500,000 - £2,000,000	**TCMG**
£2,000,000	Cabinet.

Sales or transfers of small land parcels;

Thresholds of the Sale or Transfer of Small Land Parcels		
All sales and transfers will include the transfer of all associated liabilities.		**Minimum Administration Charge (*)**
Transfer of Small Land Parcels to Other Public Bodies		
£0 - £10,000	S151 Officer	£500
£10,000 - £50,000	Managing Director (as Head of Paid Service) and the S151 Officer	£1,000
£50,000 - £100,000	Managing Director (as Head of Paid Service) and the S151 Officer, following consultation with the Executive Councillor for Strategic Finance.	£1,500
£100,000 - £500,000	**TCMG**	**£2,000**
£500,000 +	Cabinet	£3,000
Sale of Small Parcels of Land		
£0 - £10,000	Managing Director (as Head of Paid Service) and the S151 Officer	£1,000
£10,000 - £100,000	Managing Director (as Head of Paid Service) and the S151 Officer, following consultation with the Executive Councillor for Strategic Finance.	£1,500
£100,000 - £500,000	**TCMG**	£2,000
£500,000 +	Cabinet	£3,000
** The Administration Charge excludes all legal and other ancillary costs. Further it is the minimum charge that any prospective purchaser will pay. If any sale requires additional officer time beyond what would reasonably be expected, the vendor will be required to meet this higher charge.*		

Table from the council's Constitution

Notes

(i)The process to follow for a new treasury investment opportunity;

- Identification – Potential new investment types by treasury management function
- Prioritisation – Review and assessment by TCMG

If new investment type is not covered by existing Treasury Management Strategy;

- Recommendation – New investment type to be recommended by Cabinet
- Approval – Council approve change to Treasury Management Strategy

TCMG Constituted

Cabinet 18/06/2015

Governance:

It is proposed that a Treasury and Capital Management Group (TCMG) will be a formally constituted sub-committee of Cabinet, including the Leader, Deputy Leader and the Executive Councillor for Resources as well as relevant members of Corporate Management Team and the Responsible Financial Officer. The primary role of TCMG will be to agree:

- Treasury Management investment decisions (including the acquisition and disposal of all types of assets)
- The Capital Programme and the undertaking of all capital development, including the approval of Business Cases.
- Comment on Treasury Management performance.
- Call officer's to account in respect performance relating to capital projects.

Council 29/07/2015

RECOMMEND

a. that the Constitution be amended to reflect the Disposal and Acquisitions Policy attached in Annex A of the report now submitted; and

b. that the Treasury and Capital Management Group be constituted to include the Leader, Deputy Leader and the Executive Councillor for Resources (or in the event of the Leader or Deputy Leader holding the Resources Portfolio a third member of the Cabinet) together with relevant members of the Corporate Management Team and the Responsible Financial Officer.

The Council resolution is as follows:

In connection with Item No. 2, Councillor M F Shellens moved and was duly seconded the inclusion of the following recommendation –

that the Executive Leader and Executive Councillor be kept informed of the negotiation process for the disposals and acquisitions and the relevant Ward Councillor be informed prior to the sale.

Subject to the inclusion of the additional recommendation outlined above, it was duly moved by Councillor Francis and seconded by Councillor G J Bull the recommendations were declared to be CARRIED.

Governance

3.5 The thresholds proposed in paragraph 3.4 are a considerable change to those currently included within the Constitution. However, there will be tight governance around these new thresholds, this is illustrated below:

- Up to £500,000, these will be officer lead decisions. However, the officers concerned will be those at the strategic level within the Council. In addition, all decisions will only be made following consultation with the relevant Executive Councillor.

- Between £500,000 and £2,000,000, decisions will be made by the Treasury and Capital Management Group (TCMG). TCMG is not currently constituted as one of the Council's member decision-making

  committees, but it is intended that it will be when the review of the Constitution is completed. Key aspects of TCMG are that:

  - It will be a sub-committee of Cabinet.
  - It will have powers to make decisions in respect of both Treasury and Capital Asset Management.
  - Core members of the group will be the Executive Leader, Deputy Leader and the Executive Councillor for Resources, with co-opts as required by the Core members.
  - Officer support will be the Managing Director and the Head of Resources.

- In excess of £2,000,000 decisions will be made by Cabinet.

Disposal and acquisition decisions will be retrospectively reported to the Overview & Scrutiny (Economic Well-Being) Panel (see para 4.1).