

By: Peter Sass - Head of Democratic Services and Local Leadership

To: Cabinet Scrutiny Committee – 29 April 2009

Subject: Addendum Report - Treasury Management

Classification: Unrestricted

Summary: This addendum report provides further information with regard to the role of Members in treasury management decisions.

Introduction

1. At its meeting on 16 April 2009, the Informal Member Group on Budgetary Issues gave consideration to its Terms of Reference and recommended to this Committee that the Group should scrutinise the Council's policies and practices in relation to Treasury Management and make recommendations accordingly to the Director of Finance and the Cabinet Member for Finance (see item A5, page 22 of the agenda).
2. The Leader of the Council has given further consideration to this matter and now proposes to set up a Treasury Advisory Group as a sub-group of Cabinet, but inviting one Member of each Opposition Group to join, as detailed in the following paragraphs. The Cabinet Member for Finance has discussed the revised proposals with the Chairman of the Informal Member Group on Budgetary Issues, Mr Derek Smyth.

Treasury Advisory Group

3. It is proposed that the Treasury Advisory Group will have the following Terms of Reference and governance arrangements:
 - a. The Treasury Advisory Group will be responsible for advising the Cabinet and the Director of Finance on treasury management policy within KCC's overarching Treasury Management Policy
 - b. The Group will meet on a quarterly basis and at such other times of the year as deemed necessary by the Director of Finance or the Cabinet
 - c. The membership of the Treasury Advisory Group will comprise:
 - i. The Cabinet Member for Finance (Chairman)
 - ii. The three Members (one from each political group represented on the Council) appointed to serve on the Informal Member Group for Budgetary Issues
 - iii. The Deputy Leader of the Council

- iv. The Chairman of the Corporate Policy Overview Committee
 - v. The Chairman of the Superannuation Fund Committee
- d. The Director of Finance and/or the Head of Financial Services will attend all meetings of the Advisory Group
- e. Meetings of the Advisory Group will be held in private because of the commercially sensitive nature of the information being discussed
- f. Following each meeting of the Treasury Advisory Group, a summary of policy recommendations made will be prepared for the Cabinet's consideration. Following the Cabinet discussion, the outcomes will be reported in the usual way in accordance with the Constitution
4. It is proposed that the first meeting of the Treasury Advisory Group should take place in the next 3 to 4 weeks, where the frequency and timing of further meetings will be discussed. The Treasury Advisory Group will be supported by Democratic Services and Local Leadership.

Recommendation

5. That the Cabinet Scrutiny Committee endorses the proposal by the Leader of the Council to set up a Treasury Advisory Group, as described in this report.

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Background Information: *Nil*