CAPITAL, ASSETS AND COMMERCIAL INVESTMENT REVIEW GROUP - TERMS OF REFERENCE

Purpose

1. To oversee the implementation of the agreed Asset Management Strategy to ensure alignment of asset management priorities to the wider capital strategy & capital programme and to carry out a review of the Asset Management Strategy when requested by Cabinet.
2. To oversee the preparation, review and update of the Capital, Flexible Use of Capital Receipts and Commercial Investment Strategies, ensuring alignment to the Council's key priorities and MTFS.
3. To provide oversight of the Council's portfolio of land and property assets, ensuring effective performance and value for money and keep progress in relation to asset sales under review.
4. To oversee the compilation of the Capital Programme and monitor the capital funding position throughout the year.
5. To consider commercial investment proposals and keep the performance of the commercial investment portfolio and the operation of the Revolving Investment Fund under review.
6. To report on these matters to the Cabinet, Efficiency Board, and Executive Management Team as required.

Details of specific activities falling within the remit of the Group are set out in Appendix 1.

Governance

1. Membership of the Group will consist of: Cabinet Portfolio Holder for Finance and Efficiency; Cabinet Portfolio Holder for Planning and Growth; Executive Director (Resources and Support Services); Executive Director (Commercial Development and Economic Growth); Head of Finance; Head of Housing, Regeneration and Assets. Other officers will be invited to attend for specific agenda items if the Group considers this to be necessary.

2. The Group will be chaired by the Cabinet Portfolio Holder for Finance and Efficiency. The Vice Chair will be the Cabinet Portfolio Holder for Planning and Growth.

3. The Group will normally meet bi-monthly. Additional meetings may be held if the Group so decides.

4. Decisions will be taken by agreement. There will be no voting.

5. An agenda will be produced for each meeting and will be circulated at least four working days prior to the meeting date. Associated documents will be circulated with the agenda wherever possible; otherwise before the meeting except in exceptional circumstances or in relation to urgent items.

6. An Action Log will be compiled for each meeting and agreed as an accurate record at the next meeting. Agreed Action Logs will be forwarded to the next available Efficiency Board and Executive Management Team for information.

APPENDIX 1

Activities falling within the remit of the Group

Asset Management Strategy

1. To oversee the compilation of the Asset Management Strategy to be submitted to Cabinet and Council for approval and provide input on asset management priorities to the Capital Strategy.
2. To receive reports from the Cabinet Portfolio Holder Planning and Growth relating to the Council's portfolio of land and property assets, including assets identified as surplus to requirements or suitable for redevelopment. The Group may recommend the commissioning of external consultants to carry out work related to these issues and will consider any report or data received as a result and recommend appropriate action.
3. To establish and monitor key performance indicators in relation to assets.
4. To periodically commission and consider stock condition survey reports and recommend action to be taken as a result, including preparing and updating estimates of lifecycle costs to inform the development of the capital programme.
5. To review progress in relation to asset sales and to agree actions to enable sales to be achieved within agreed timescales.

Capital Strategy

6. To oversee the compilation of the Capital Strategy and to agree the Strategy to be submitted to Cabinet and Council for approval.
7. To consider and agree the ten year capital programme for inclusion in the capital strategy.

Capital Programme

8. To oversee the compilation of the capital programme to be submitted to Cabinet and Council for approval. This to include consideration of project priorities and timing of projects.
9. To consider funding options and determine the amount and timing of funding available to finance the capital programme and the amount which it is prudent to commit to the programme.
10. To monitor the capital funding position throughout the year, including progress in relation to asset sales and achievement of capital receipts targets.
11. To monitor expenditure and physical completion of projects against the approved capital programme.
12. To monitor expenditure in relation to property repairs and the capacity of the renewals and repairs fund to meet such expenditure.
13. To receive information regarding funding shortfalls in relation to capital projects and agree actions to be taken to deal with them.
14. To review the fleet replacement programme to determine the amounts required to be included in the capital programme for vehicle and plant replacement and to agree any in-year amendments to the approved replacement schedule, for example to reflect up to date information in relation to condition or timing of requirements.
15. To agree the allocation of global or contingency sums included in the capital programme to specific individual projects.

16. To consider and approve requests for virement between projects. The Group may agree virements up to £20,000 but must refer any proposals in excess of this amount to Cabinet (or Council, if above £250,000) for approval.
17. To consider requests for urgent expenditure not included in the capital programme and determine what action should be taken.
18. To determine the amount of budgeted committed unspent expenditure (slippage) at the year end and to approve the amount to be carried forward to the following year by reference to specific projects.
19. To develop and operate a means and process of project appraisal to determine the viability of projects and their relative priority in order to assist in compiling the capital programme.
20. To receive data concerning outturn costs on completion of capital projects.
21. To consider funding bids in relation to capital projects.

Flexible Use of Capital Receipts Strategy

22. To oversee the compilation of the Flexible Use of Capital Receipts Strategy to be submitted to Cabinet and Council for approval.
23. To identify projects which can be funded using this flexibility.
24. To monitor expenditure and physical completion of projects against the list of approved projects.

Commercial Investment Strategy

25. To oversee the compilation of the Commercial Investment Strategy to be submitted to Cabinet and Council for approval.
26. To consider potential commercial investments, including projected returns, security of capital, associated costs, risks, and the potential viability of the investment.
27. To recommend the commissioning of external consultants to advise on the suitability, viability, associated risks, etc. of potential commercial investments and to consider the implications of the advice received, including the impact on the revenue account.
28. To consider and recommend how commercial investments should be funded.
29. To consider and recommend operating budgets in relation to commercial investments.
30. To monitor the performance of commercial investments and to initiate any actions required in the event of any issues arising.
31. To oversee the operation of the Revolving Investment Fund, including consideration of projects and investments to be financed from the Fund and amounts to be paid into the Fund to finance further investment.
32. To monitor the performance indicators included in the Investment Strategy.
33. To consider applications for commercial loans before any are taken to Cabinet for approval, particularly with reference to risk and to determine whether any external advice should be sought.

Other

34. To consider and, where appropriate, initiate actions or make recommendations in relation to any other issues relating to the above which are brought to the attention of the Group.