

Item 6 (b) - Treasury Management Strategy 2017/18

The attached report was considered by the Cabinet on 9 February 2017, relevant minute extract below:

Cabinet - 9 February 2017 (Minute 71)

The Portfolio Holder for Finance presented the report on the Council's Treasury Management Strategy for 2017/18 which set out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments. An updated report had been circulated that day which included the figures missing from the original contained within the main printed agenda papers.

The Local Government Act 2003 (the Act) and supporting regulations required the Council to 'have regard to' the Prudential Code and to set Prudential Indicators for the next three years to ensure that the Council's capital investment plans were affordable, prudent and sustainable. The Act therefore required the Council to set out its treasury strategy for borrowing and to prepare an Annual Investment Strategy (as required by investment guidance issued subsequent to the Act). Some of the data was not available when the report in the main agenda pack was printed. An updated report with the data was provided in a supplementary agenda item circulated separately.

It was set out that legislation required the Council to prepare an Annual Treasury Management Strategy which set out the Council's policies for borrowing and managing its investments and for giving priority to the security and liquidity of those investments.

He advised that the Finance Advisory Committee had considered and debated the same report and agreed to recommend it to Cabinet. At the Finance Advisory Committee it was noted that the investment strategy remained the same as for 2016/17. A reassurance was given that the investment strategy was flexible enough to deal with interest rate changes that might occur during the year as a result of Brexit.

The Principal Accountant stated that the report formed part of the budget strategy for 2017/18 and dealt with the proposed treasury strategy for the forthcoming year. The first part of the report proposed various prudential indicators and a Minimum Revenue Provision policy to ensure that any capital expenditure plans were affordable. The latter part of the report dealt with the investment strategy for 2017/18 and laid out the criteria for making investments based largely around a creditworthiness assessment policy. It was proposed to leave the investment strategy unchanged from 2016/17.

Public Sector Equality Duty

Members noted that consideration had been given to impacts under the Public Sector Equality Duty.

Resolved: **That it be recommended to Council** that the Treasury Management Strategy for 2017/18, be approved.