

COUNCIL

DATE: 20TH FEBRUARY 2013

SUBJECT: TREASURY MANAGEMENT AND ANNUAL INVESTMENT STRATEGY 2013/14

REPORT BY: EXECUTIVE

CONTACT OFFICER: MATT HUSSEY 01582 546032

IMPLICATIONS:

LEGAL COMMUNITY SAFETY

EQUALITIES ENVIRONMENT

FINANCIAL CONSULTATIONS

STAFFING OTHER

WARDS AFFECTED: NONE

PURPOSE

1. The purpose of this report is to refer to Council the recommendations of the Executive in relation to the Treasury Management and Annual Investment Strategy 2013/14.

RECOMMENDATION(S)

2. Council is recommended to approve:
 - (i) the Treasury Management Strategy and Statement
 - (ii) the Annual Investment Strategy 2013/14 which includes the Minimum Revenue Provision Statement (as set out at Appendix 1 to this report)
 - (iii) the changes to the Council's prudential indicators (as set out at paragraphs 14, 17, 42, 43, 44, 48,49, 50, 57 and 81 of Appendix 1 to this report)

BACKGROUND

3. At its meeting held on 11th February 2013, the Executive considered a report of the Head of Corporate Finance which advised that there was a requirement for Council to receive and approve three main reports each year, which incorporated a variety of policies, estimates and actuals. These reports would be scrutinised before being recommended to full Council and that role was undertaken by the Audit and Governance Committee.

REPORT

4. The report of the Head of Finance set out a strategy which covered:

Capital Issues

- the capital plans and prudential indicators
- the Minimum Revenue Provision strategy

Treasury Management Issues

- the current treasury position
- treasury indicators
- prospects for interest rates
- the borrowing strategy
- policy on borrowing in advance of need
- debt rescheduling
- the annual investment strategy
- creditworthiness strategy
- policy on use of external service providers

5. The proposals are set out in full at Appendix 1 to this report (circulated with Council Enclosures).

PROPOSAL/OPTION

6. That the Council approve the Treasury Management and Annual Investment Strategy 2013/12 as set out at Appendix 1 to this report.

LEGAL IMPLICATIONS

7. As set out at Appendix 1 (circulated with Council Enclosures).

FINANCIAL IMPLICATIONS

8. As set out at Appendix 1 (circulated with Council Enclosures).

RISK IMPLICATIONS

9. As set out at Appendix 1 (circulated with Council Enclosures).

APPENDIX Circulated with the Council Enclosures

10. Appendix 1 – 11th February 2013 - Executive report of the Head of Corporate Finance – Treasury Management and Annual Investment Strategy 2013/14

LIST OF BACKGROUND PAPERS

LOCAL GOVERNMENT ACT 1972, SECTION 100D

Executive Decision EX/31/13