

COUNCIL MEETING – 25 FEBRUARY 2010

Recommendations to Council from the Executive: 12 January 2010

E/09/159 Treasury Management Strategy

The Executive considered a report from Councillor Maurice Jones, Portfolio Holder for Corporate Resources proposing a revised Treasury Management Policy and Treasury Management Strategy in response to changes in two key codes and increased risk in investment markets.

The Portfolio Holder advised Members that the greater risk and uncertainty in investment markets had resulted in CIPFA revising both the Treasury Management Code of Practice and the Prudential Code for Capital Finance in Local Authorities. The headline changes of both Codes were set out in the submitted report, together with details of a background paper that provided more detailed commentary.

In response to the revisions and the greater focus on risk in the two codes, the Council's Treasury Management Policy and Treasury Management Strategy, approved by the Shadow Authority on 26 February 2009 (Minute SC/08/22 (i) refers) had been revised and were attached as Appendices A and B respectively.

It was noted that no major changes had been made to the Treasury Management Policy, adopted by the Council in February 2009, although it had been updated for references to the revised Codes. There were two key areas of change to be made to the Treasury Management Strategy; amendments to lending limits and a revision to the operational boundary.

The Executive noted that the Corporate Overview and Scrutiny Committee would be considering the Strategy at its meeting on 18 January 2010 ahead of consideration by Council on 25 February 2010.

Reason for decisions: To put an effective treasury management framework in place for the Council.

RECOMMENDED

- 1. That the Treasury Management Policy and the Treasury Management Strategy, attached as Appendices A & B to the submitted report, be approved.**
- 2. That the CIPFA Treasury Management in the Public Services Code of Practice 2009 and The Prudential Code for Capital Finance in Local Authorities be adopted.**