

**Executive – 10 January 2012**

**Agenda Item 12 – Treasury Management Strategy**

**Changes to Appendix B  
Treasury Management Strategy Statement and Investment Strategy  
2012/13 to 2015/16  
Revisions to 2011/12 Strategy**

**Paragraph 5.3 (page 124) changed from**

5.3 It is proposed subject to consultation with the Council's external auditors, that General Fund and Housing Revenue Account debt is managed as a single pool of debt. This approach offers the Council and also the Council's tenants significant benefit in the longer term. In effect, the Council will treat several loans as though they were a single loan, subject to a consolidated rate of interest (CRI). In financing those loans, the financing charge will be applied to the revenue budgets, in the HRA and General Fund, on the basis of the CRI.

**To**

5.3 It is proposed subject to consultation with the Council's external auditors, that General Fund and Housing Revenue Account debt is managed as a single pool of debt. This approach offers the Council and also the Council's tenants significant benefit in the longer term. The Draft Item 8 Determinations applicable from 1 April 2012 replace the formula based Consolidated Rate of Interest (CRI) with interest on loans, both internal and external, in relation to the HRA CFR being calculated in accordance with proper accounting practices. Interest expenditure will be apportioned between the HRA and General Fund by applying the average interest rate on external debt to the HRA and General Fund CFRs

**Paragraph 8.4 and 8.5** (Pages 127/128) reference to AAA rated money Market funds changed to CNAV (Constant Net Asset Value) Money Market Funds.