

27th SEPTEMBER 2012

REPORT OF THE DIRECTOR OF FINANCE

**REVIEW OF THE TREASURY MANAGEMENT STRATEGY STATEMENT,
MINIMUM REVENUE PROVISION POLICY STATEMENT AND ANNUAL
INVESTMENT STATEMENT 2012/13 AND THE ANNUAL REPORT ON THE
TREASURY MANAGEMENT SERVICE AND ACTUAL PRUDENTIAL INDICATORS
2011/12**

EXEMPT INFORMATION

None

PURPOSE

To review the Treasury Management Strategy Statement, Minimum Revenue Provision Statement and Annual Investment Statement 2012/13 and Annual Report on the Treasury Management Service and Actual Prudential Indicators 2011/12 approved by Council on 28th February 2012 and 11th September 2012 respectively.

RECOMMENDATIONS

That Members consider the Treasury Management Reports, as detailed within the reports attached at Appendix 1 and Appendix 2 and highlight any changes for recommendation to Cabinet.

EXECUTIVE SUMMARY

At its meeting on 23rd February 2010, the Council approved the Treasury Management Strategy and Prudential Indicators including, as required by the Code, that the Audit & Governance Committee be given the opportunity to scrutinise the strategy and policies, as well as receiving regular monitoring reports.

With regard to the appointment of a Committee to be responsible for ensuring effective scrutiny of the Treasury Management Strategy and Policies, the code suggests:

- This involves reviewing the Treasury Management policy and procedures and making recommendations to the responsible body;
- Public Service Organisations have a responsibility to ensure that those charged with governance have access to the skills and knowledge they require to carry out this role effectively;
- Those charged with Governance also have a personal responsibility to ensure they have the appropriate skills and training in their role;
- The procedures for monitoring Treasury Management activities through audit, scrutiny and inspection should be sound and rigorously applied, with an openness of access to information and well-defined arrangements for the review and implementation of recommendations for change; and
- This includes the provision of monitoring information and regular review by Councillors in both Executive and Scrutiny functions.

In compliance with the above, a copy of the Treasury Management Strategy and Prudential Indicators for 2012/13 is attached at **Appendix 1**, together with a copy of the Annual Report on the Treasury Management Service and Actual Prudential Indicators 2011/12 at **Appendix 2**.

RESOURCE IMPLICATIONS

All financial resource implications are detailed in the body of this report which links to the Council's Medium Term Financial Strategy.

LEGAL/RISK IMPLICATIONS BACKGROUND

Approval of Prudential Indicators and an Annual Investment Strategy is a legal requirement of the Local Government Act 2003. Members are required under the CIPFA Code of Practice to have ownership and understanding when making decisions on Treasury Management matters.

Risk is inherent in Treasury Management and as such a risk based approach has been adopted throughout the report with regard to Treasury Management processes.

SUSTAINABILITY IMPLICATIONS

None

REPORT AUTHOR

Please contact Phil Thomas, Financial Accountant or Stefan Garner, Director of Finance, extension 239 or 242.

LIST OF BACKGROUND PAPERS

Corporate Vision, Priorities Plan, Budget & Medium Term Financial Strategy 2011/12 to 2014/15 Including Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Statement 2012/13 Council 22nd February 2011.

Annual Treasury Report 2010/11 Council 13th September 2011.

Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Statement 2010/11 Council 23rd February 2010.

Treasury Management Practices 2012/13 (Operational Detail).

APPENDICES

Appendix 1 - Treasury Management Strategy Statement, Minimum Revenue Provision Statement and Annual Investment Statement 2012/13

Appendix 2 - Annual Report on the Treasury Management Service and Actual Prudential Indicators 2011/12