

**2010/11 TREASURY MANAGEMENT STRATEGY
(Report by the Overview and Scrutiny Panel (Economic Well-Being))**

1. INTRODUCTION

- 1.1 At its meeting held on 4th February 2010, the Overview and Scrutiny Panel (Economic Well-Being) considered a report by the Head of Financial Services on the 2010/11 Treasury Management Strategy. This report summarises the Panel's discussions.

2. THE PANEL'S DISCUSSIONS

- 2.1 The Panel has discussed the proposed changes to the Council's Treasury Management Strategy for 2010/11. The primary change is that it now places emphasis on using a wider range of information to assess counterparty credit quality and on prioritising security and the liquidity of investments.
- 2.2 Members have recognised that the revised Strategy now takes into account developments in treasury management that have taken place at the national level. It incorporates new guidance published by the Audit Commission and the Chartered Institute of Public Finance and Accountancy's (CIPFA) revised Code of Practice. Members also have been made aware that the Department for Communities and Local Government is currently consulting on revised guidance on local authority investments, which is expected to apply from April 2010. In the circumstances, the Panel has endorsed the Treasury Management Strategy for 2010/11 and recommends the Cabinet and Council to adopt it.
- 2.2 In addition, in accordance with the CIPFA Code of Practice, the Panel now has formal responsibility for scrutinising Treasury Management. The Panel is content to accept this responsibility and training will take place for this purpose.

3. RECOMMENDATION

- 3.1 The Cabinet is requested to take into consideration the views of the Overview and Scrutiny Panel (Economic Well-Being) as set out above when considering this item.

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