

**2012/13 TREASURY MANAGEMENT STRATEGY
(Report by the Overview & Scrutiny (Economic Well-Being))**

1. INTRODUCTION

- 1.1 At its meeting held on 2nd February 2012 and in accordance with its responsibility for scrutinising Treasury Management, the Overview and Scrutiny Panel (Economic Well-Being) considered the 2012/13 Treasury Management Policy and the Treasury Management Strategy and Prudential Indicators for the year. This report summarises the Panel's discussions.

2. THE PANEL'S DELIBERATIONS

- 2.1 The Head of Financial Services has reminded the Panel that the Treasury Management Policy and Strategy form part of the Council's governance arrangements and that the Treasury Management Advisory Group meets to discuss the Council's Treasury Management on a regular basis. The Policy Statement is not significantly different to that which had prepared for the previous year. In considering the contents of the Policy Statement, Members' attention has been drawn to the Council's Investment Policy which stated that all investment decisions must take into account a number of matters, including the security of the investment.
- 2.2 In reviewing the 2012/13 Strategy, Members have been advised that the Treasury Management Advisory Group in January 2011 agreed to retain the Council's existing Treasury Management Advisors. The advice received continues to be used by Officers on a regular basis. With regard to the expected levels of reserves and the need for borrowing to fund capital expenditure over the MTP period, Members have been advised that the 'May Borrow' figures have been produced following agreement with the Council's previous external auditors that it is legitimate to borrow in advance to fund the 5 year published programme.
- 2.3 The Panel's has endorsed the criteria and limits for making investments and the proposed Prudential and Treasury Management Indicators for 2012/13.

3. RECOMMENDATION

- 3.1 The Cabinet is recommended to endorse the Treasury Management Policy and the Treasury Management Strategy and Prudential Indicators for 2012/13 for submission to the Council.

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