

**2013/14 TREASURY MANAGEMENT STRATEGY
(Report by the Overview & Scrutiny (Economic Well-Being))**

1. INTRODUCTION

- 1.1 At its meeting held on 7th February 2012 and, in accordance with its responsibility for scrutinising Treasury Management, the Overview and Scrutiny Panel (Economic Well-Being) has considered the 2013/14 Treasury Management Policy, 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 Panel has noted that this year's Strategy is based upon the revised version of CIPFAs Code of Practice and Government Guidance, which expects priority to be given to the security and liquidity of investments rather than simply maximising the interest earned.
- 2.2 Having been assured that the Treasury Management Advisory Group provides oversight of the Strategy and the actions taken under it, the Panel has been advised of the terms of the contract for the receipt of advice from an independent firm of Treasury Management Advisors. Members have also been acquainted with the legal rules relating to the receipt of Council Tax, the onward payment of it to other precepting bodies and the use of the cash flow benefit that is created. It is not envisaged that these arrangements will change.
- 2.3 Members have noted that a new element of this year's Policy and Strategy is the potential for the Council to provide loan finance to local organisations that can support Council services. This will enable the Council to make a margin on the loan subject to adequate safeguards. Other local authorities make loans to organisations and the Panel supports the suggestion that the District Council should investigate whether this might provide a contribution towards the savings the Council needs to find. The inclusion of these terms in the Strategy will allow the investigations to take place. Members have stressed that loans should only be made for the purposes stated above.

3. RECOMMENDATION

- 3.1 The Cabinet is recommended to endorse the Treasury Management Policy, the Treasury Management Strategy and Prudential Indicators for 2013/14 for submission to the Council.

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