

**GOVERNANCE AND AUDIT COMMITTEE  
25 JANUARY 2011**

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**TREASURY MANAGEMENT REPORT  
(Borough Treasurer)**

**1 PURPOSE OF DECISION**

- 1.1 To review the Treasury Management Report.

**2 RECOMMENDATION**

- 2.1 **That the Committee review the Treasury Management Report prior to its approval by Council.**

**3 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS**

Borough Solicitor

- 3.1 Nothing to add to the report.

Borough Treasurer

- 3.2 Investment income is an integral part of the Council's budget and the management of investments and their associated risk is a key element of the Council's overall financial management arrangements. The primary focus is on the security of the capital sum invested and this is reflected throughout the Treasury Management Report and associated documents.

Equalities Impact Assessment

- 3.3 None required.

Strategic Risk Management Issues

- 3.4 The Treasury Management Report deals directly with the strategic management of risk associated with the Council's treasury management activities.

**4 SUPPORTING INFORMATION**

- 4.1 The Local Government Act 2003 requires a local authority to "have regard to" guidance issued by, or specified by, the Secretary of State. As such, the Council is required to have regard to the Prudential Code and Code of Practice on Treasury Management in the Public Sector, both issued by the Chartered Institute of Public Finance and Accountancy (CIPFA).
- 4.2 Under the requirements of the Prudential Code, the Council must set Prudential Indicators for the next three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable. The attached Treasury Management Report outlines the Council's Prudential Indicators for 2011/12 to 2013/14 and sets out the expected treasury operations for this period.

- 4.3 The Code of Practice recommends that a responsible body be nominated by the Council and having examined and assessed the effectiveness of the treasury management strategy and policies recommend them to Council. At its meeting on 3 March 2010 Council nominated the Governance and Audit Committee as the responsible body.
- 4.4 The attached Treasury Management Report was approved by the Executive, as a part of the Council's overall budget proposals, on 14 December 2010. The Executive requested that the Governance and Audit Committee review each of the key elements. Following this review the Treasury Management Report and associated documents will be presented to Council for approval on 2 March 2011, as a part of the overall budget package and resolution on the Council Tax for 2011/12.

#### Background Papers

CIPFA Code of Practice on Treasury Management in the Public Sector  
CIPFA Prudential Code  
Revenue Budget 2011/12 – Executive Report 14 December 2010

#### Contact for further information

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#### Doc. Ref

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