

TREASURY MANAGEMENT STRATEGY STATEMENT AND ANNUAL INVESTMENT STRATEGY

1. EXECUTIVE SUMMARY

- 1.1 This covering report is the Executive Summary for the Treasury Management Strategy Statement and Annual Investment Strategy which sets out the strategy for borrowing and investing for the year. The types and limits on the use of investment products which will be used to manage the Council's treasury transactions for the year are included within the Annual Investment Strategy.
- 1.2 The Council currently complies with the Code of Practice on Treasury Management.
- 1.3 The Council requires to approve a Treasury Management Strategy Statement and Annual Investment Strategy in advance of the start of the each financial year. The statement sets out the Council's strategy for borrowing and investment for the forthcoming year along with the Council's Prudential Indicators.
- 1.4 The Treasury Management Strategy Statement and Annual Investment Strategy meet the requirements of the CIPFA Code of Practice on Treasury Management in Local Authorities.
- 1.5 The draft Treasury Management Strategy, Annual Investment Strategy and Treasury Policy Statement will be presented to:
- Policy and Resources Committee on 5 February 2015
 - Council on 12 February 2015
 - Performance Review and Scrutiny Committee on 26 February 2015
- 1.6 As part of the scrutiny of the Treasury Management Strategy Statement and Annual Investment Strategy the Performance Review and Scrutiny Committee will be asked to review the attached document and comment on it with any amendments required being brought to Policy and Resources Committee in March and Council in April for consideration.
- 1.7 The major changes to the Annual Treasury Strategy from 2014-15 are in the Treasury Indicators to reflect the expected movements in the Council's Capital Financing Requirement. In terms of the Investment Strategy the changes are in the limit per counterparty which has been reduced from £30m to £20m to reflect the diversification policy and to limit Money Market Funds to £10m per fund.
- 1.8 The Council as part of delivering the single outcome agreement agreed to consider Investing for Income, as this programme develops it may require changes to be made to the Treasury and Investment Strategies. Any amendments required will be brought to Council for approval.

2. RECOMMENDATIONS

- 2.1 The recommendation is that the Treasury Management Strategy Statement and Annual Investment Strategy are approved for submission to Council in February.

3. IMPLICATIONS

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| 3.1 | Policy – | Sets the policy for Borrowing and Investment Decisions |
| 3.2 | Financial - | Sets the limits for maximum financial exposure for Borrowing and Investment |
| 3.3 | Legal - | None. |
| 3.4 | HR - | None. |
| 3.5 | Equalities - | None. |
| 3.6 | Risk - | Sets the limits for maximum financial exposure for Borrowing and Investment |
| 3.7 | Customer Service - | None. |

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