
EXCERPT FROM THE MINUTES OF THE EXECUTIVE HELD ON 19 JANUARY 2011

**EX.004/11 BUDGET 2011/12 – TREASURY MANAGEMENT STRATEGY
STATEMENT, INVESTMENT STRATEGY AND MINIMUM REVENUE
PROVISION STRATEGY 2011/12**

(Key Decision)

(In accordance with Paragraph 15(i) of the Overview and Scrutiny Procedure Rules the Mayor had agreed that call-in procedures should not be applied to this item)

Portfolio Governance and Resources

Subject Matter

Pursuant to Minute EX.222/10, the Assistant Director (Resources) submitted report RD.71/10 setting out the Council's Treasury Management Strategy Statement for 2011/12 with had been prepared in accordance with the CIPFA Code of Practice on Treasury Management. He added that the Investment Strategy and Minimum Revenue Provision Strategy for 2011/12 were also incorporated as part of the Statement, as were the Prudential Indicators as required within the Prudential Code for Capital Finance in Local Authorities.

He added that those requirements came into operation on 1 April 2004 under the provisions of the Local Government Act 2003. Part 1 of the Act allowed a local authority to borrow money for any purpose that was within its control or for the purposes of the prudent management of its financial affairs. Since April 2004 there had been no statutory limit to the amount that could be borrowed. There was, however, a requirement for full compliance with CIPFA's Prudential Code; the key objectives of which were to demonstrate that the proposed capital investment plans had been assessed by the Council as affordable, prudent and sustainable. Section 3(1) of the Act placed a duty on the Council to determine before the start of the financial year and keep under review the maximum amount that it could afford to borrow. That amount was called the Authorised Limit and was discussed at Appendix A to his report.

The Assistant Director (Resources) reminded Members that the draft Statement had been considered by the Executive on 22 December 2010 prior to the consultation period on the budget proposals for 2011/12. It had also been considered by the Resources Overview and Scrutiny Panel and the Audit Committee.

An Extract from the Minutes of the Audit Committee on 14 January 2011 (AUC.12/11) had been circulated, confirming that the Committee received the report.

Summary of options rejected None

DECISION

That the Treasury Management Strategy Statement for 2011/12, which incorporated the Investment Strategy and Minimum Revenue Provision Strategy, together with the Prudential Indicators for 2011/12, as set out in Appendix A, and to increase the Counterparty limit for Lloyds Group Banks and RBS Group Banks to £8 million as highlighted in paragraph 9.1.7 of Report RD.71/10, be approved for submission to the City Council on 1 February 2011.

Reasons for Decision

To recommend the Treasury Management Strategy Statement, Investment Strategy and Minimum Revenue Provision Strategy for 2011/12 to the City Council.