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## **EXCERPT FROM THE MINUTES OF THE EXECUTIVE HELD ON 16 JANUARY 2012**

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**EX.004/12 BUDGET 2012/13 – TREASURY MANAGEMENT STRATEGY  
STATEMENT, INVESTMENT STRATEGY AND MINIMUM REVENUE  
PROVISION STRATEGY 2012/13  
(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.172/11, the Director of Resources submitted report RD.80/11 setting out the Council's Treasury Management Strategy Statement for 2012/13 which 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 2012/13 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 Director of Resources reminded Members that the draft Statement had been considered by the Executive on 19 December 2011 prior to the consultation period on the budget proposals for 2012/13. It had also been considered by the Resources Overview and Scrutiny Panel and the Audit Committee.

**Summary of options rejected** None

## **DECISION**

That the Treasury Management Strategy Statement for 2012/13, which incorporated the Investment Strategy and Minimum Revenue Provision Strategy, together with the Prudential Indicators for 2012/13 as set out in Appendix A, be approved for submission to the City Council on 7 February 2012.

## **Reasons for Decision**

To recommend the Treasury Management Strategy Statement, Investment Strategy and Minimum Revenue Provision Strategy for 2012/13 to the City Council.