

Cabinet



Forest Heath
District Council

Title of Report:	Recommendation of the Performance and Audit Scrutiny Committee: 25 January 2017 Annual Treasury Management and Investment Strategy Statements 2017/2018 and Treasury Management Code of Practice	
Report No:	CAB/FH/17/006	
Report to and dates:	Cabinet	14 February 2017
	Council	22 February 2017
Portfolio holder:	Councillor Stephen Edwards Portfolio Holder for Resources and Performance Tel: 01638 660518 Email: stephen.edwards@forest-heath.gov.uk	
Chairman of the Committee:	Councillor Louis Busuttil Performance and Audit Scrutiny Committee Tel: 01638 810517 Email: louis.busuttil@forest-heath.gov.uk	
Lead Officer:	Rachael Mann Assistant Director (Resources and Performance) Tel: 01638 719245 Email: rachael.mann@westsuffolk.gov.uk	
Purpose of report:	On 25 January 2017, the Performance and Audit Scrutiny Committee considered Report No: PAS/FH/17/007 . The purpose of the report is to seek approval for: <ul style="list-style-type: none">• The Annual Treasury Management and Investment Strategy Statements 2017/18 (including treasury related prudential indicators)• The Treasury Management Code of Practice.	
Recommendation:	It is <u>RECOMMENDED</u> that, subject to the approval of Council: 1) The Annual Treasury Management and Investment Strategy Statements	

	<p>2017/2018, as contained in Appendix 1 to Report PAS/FH/17/0007, be adopted.</p> <p>2) The Treasury Management Code of Practice 2017/2018, as contained in Appendix 3 to Report PAS/FH/17/007, be approved.</p>		
<p>Key Decision:</p> <p><i>(Check the appropriate box and delete all those that do not apply.)</i></p>	<p><i>Is this a Key Decision and, if so, under which definition?</i></p> <p>Yes, it is a Key Decision - <input type="checkbox"/></p> <p>No, it is not a Key Decision - <input checked="" type="checkbox"/></p>		
Consultation:	<ul style="list-style-type: none"> • See Report No: PAS/FH/17/007 		
Alternative option(s):	<ul style="list-style-type: none"> • See Report No: PAS/FH/17/007 		
Implications:			
<p>Are there any financial implications? If yes, please give details</p>		<p>Yes <input type="checkbox"/> No <input type="checkbox"/></p> <ul style="list-style-type: none"> • See Report No: PAS/FH/17/007 	
<p>Are there any staffing implications? If yes, please give details</p>		<p>Yes <input type="checkbox"/> No <input type="checkbox"/></p> <ul style="list-style-type: none"> • See Report No: PAS/FH/17/007 	
<p>Are there any ICT implications? If yes, please give details</p>		<p>Yes <input type="checkbox"/> No <input type="checkbox"/></p> <ul style="list-style-type: none"> • See Report No: PAS/FH/17/007 	
<p>Are there any legal and/or policy implications? If yes, please give details</p>		<p>Yes <input type="checkbox"/> No <input type="checkbox"/></p> <ul style="list-style-type: none"> • See Report No: PAS/FH/17/007 	
<p>Are there any equality implications? If yes, please give details</p>		<p>Yes <input type="checkbox"/> No <input type="checkbox"/></p> <ul style="list-style-type: none"> • See Report No: PAS/FH/17/007 	
Risk/opportunity assessment:			
<i>(potential hazards or opportunities affecting corporate, service or project objectives)</i>			
Risk area	Inherent level of risk (before controls)	Controls	Residual risk (after controls)
See Report No: PAS/FH/17/007			
Ward(s) affected:		All Wards	
Background papers: <i>(all background papers are to be published on the website and a link included)</i>		Performance and Audit Scrutiny Committee – 25 January 2017 Report No: PAS/FH/17/007 & Appendix 1 , Appendix 2 , Appendix 3 & Appendix 4	
Documents attached:		None	

1. Key issues and reasons for recommendation

1.1 Key Issues

- 1.1.1 In order for the Council to be able to meet its strategic priorities it is essential that sufficient and appropriate financial resources are available. Optimising returns from investments, without exposing the Council to an unacceptably high level of risk, increases those financial resources.
- 1.1.2 In order to allow the Council to use other local authorities as a source of borrowing the following paragraph had been included in the 2017-2018 Strategy:
- “In addition to the usual institutions used for borrowing, the Council may secure lending facilities with another local authority where suitable terms can be agreed and overall borrowing does not exceed the limits set within the Prudential Code”.*
- 1.1.3 The proposed Annual Treasury Management and Investment Strategy Statements 2017-2018 was attached as Appendix 1 to Report No PAS/FH/17/007.
- 1.1.4 The Committee was advised that no changes had been made to the Credit Rating Definitions (Appendix 2) since the 2016-2017 Strategy was presented to Cabinet on 10 February 2016.
- 1.1.5 The Treasury Management Code of Practice, attached as Appendix 3 to Report No PAS/FH/17/007 had been updated to reflect the proposed Annual Treasury Management and Investment Strategy Statements 2017-2018 (as set out in paragraph 2.1) of the report.
- 1.1.6 A few minor changes had been made to the List of Approved Organisations for Investment during 2016-2017 (Appendix 4) due to credit rating changes and changes to the Top 10 List of Building Societies.
- 1.1.7 The Committee had examined the report in detail.
- 1.1.8 The Performance and Audit Scrutiny Committee has put forward recommendations 1) and 2) as set out above.