

E-RESOURCES POLICY ADVISORY GROUP

Meeting - 28 January 2015

20. TREASURY MANAGEMENT STRATEGY 2015/2016

Members of the PAG were invited to comment, via email, on a report which recommended to Council via Cabinet the adoption of the Treasury Management Strategy & Annual Investment Strategy for 2015/2016 and comments were received from Councillors Anthony, Chhokar and Kelly.

The following were attached to the report:

- Treasury Management Strategy Document 2015/16
- Appendix A - Annual Investment Strategy
- Appendix B - Economic Background
- Appendix C - Prudential Code and Indicators Statement
- Appendix D - Minimum Reserve Provision

The report, after explaining the various legal requirements under the Local Government Act 2003 and the Local Government Finance Act 1992, advised the PAG that the budget set for investment interest for 2014/15 of £550,000 was likely to be under-achieved by at least £100,000 by the end of the year.

The report went on to set a target for investment returns for 2015/16 of £400,000. This target was based upon a core level of balances of £14m for 2015/16, the latest forecasts for interest rates and the assumption that the Council wished to remain debt free.

In commenting on the report a member sought clarification on a number of issues relating to reserves and investment returns.

The member also expressed regret that the Council had not progressed the proposal he had made a year ago to broaden the range of investments beyond deposits, bonds and Certificate of Deposits and invest in farm land and/or commercial property thus achieving a higher rate of return and preventing an erosion of the Council's assets,.

Having considered the comments of the PAG, the Portfolio Holder **AGREED** to **RECOMMEND** to Cabinet that the Treasury Management Strategy for 2015/16 be submitted to Council for approval to include:

1. approving the Appendices to the Strategy covering:
 - the Annual Investment Strategy
 - Prudential Indicators, including the borrowing limits
 - Minimum Revenue Provision
2. confirming that the authority will continue to remain debt free.