

BOROUGH OF KETTERING

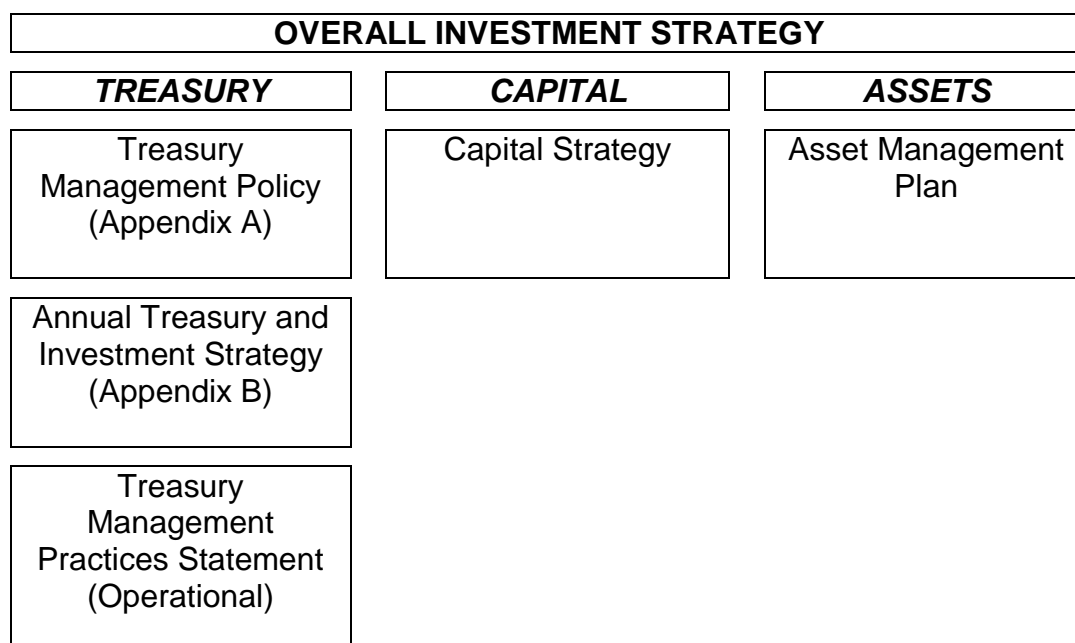
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Report Originator	Mark Dickenson Head of Resources	Fwd Plan Ref: A16/035	
Wards Affected	All	15 th February 2017	
Title	TREASURY MANAGEMENT STRATEGY 2017/2018		

Portfolio Holder: Councillor Lesley Thurland

<p>1. <u>PURPOSE OF REPORT</u></p> <p>1.1 To report the Treasury Management Strategy for 2017/18 for approval</p>
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2. TREASURY MANAGEMENT BACKGROUND

- 2.1. The Council has a number of strategies and policies that when considered together comprise the Overall Investment Strategy (see diagram below). This report considers the strategic 'Treasury' elements.



- 2.2. The Treasury Management Policy Statement is a high level document, which defines the Council's policies and objectives of its Treasury Management activities. It remains fairly constant each year and is attached at Appendix A.
- 2.3. To comply with the requirements of best practice, the Treasury Management Strategy is reported to members in advance of the forthcoming financial year.
- 2.4. The Executive Committee are responsible for approving the Treasury Management Policy and Strategy - the Council are required to formally set the associated

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'prudential indicators' that form part of the strategy. The indicators form part of the strategy statement that is attached at Appendix B.

- 2.5. The indicators are a technical accounting requirement and are based upon a range of different external borrowing scenarios that may happen during the medium term. These are reviewed and updated annually by the Council. The Council's budget model makes provision for the cost of estimated debt charges (associated with borrowing).
- 2.6. The Council continues to make use of credit ratings to help inform any short term investment decisions. The Council monitors credit ratings daily in conjunction with our external treasury advisers.
- 2.7. The proposed strategy for 2017/18 has been developed with Capita Asset Services Ltd, the Council's appointed treasury advisors.
- 2.8. An information sheet is detailed at Appendix C to provide additional information on the Prudential and Treasury Indicators, together with reasons why changes have been made to the Indicators.
- 2.9. The calculation of the Prudential Indicators and Borrowing Limits are primarily technical calculations, which are derived from the numbers contained in the Council's budgets and resulting capital financing requirement. The inclusion of the £20m budget in the Capital Programme for commercial investments impacts on the numbers in the strategy when compared to previous years. It is important to note that should the Council identify investment opportunities that are in excess of the budgets included in the Capital Programme – these will be considered upon their own merits and may require the Council to formally amend the Capital Programme (and associated Prudential Indicators and Borrowing Limits) as appropriate – Full Council has the power to do this at any point during the year therefore the strategy and associated indicators are capable of amendment (if required).

3 CONSULTATION AND CUSTOMER IMPACT

- 3.1 None as a direct result of this report – the report is about the treasury management activities at this stage.

4 POLICY IMPLICATIONS

- 4.1 The policy implications are discussed throughout this report.

5 USE OF RESOURCES

- 5.1 The implications on the Council's resources are considered throughout the report.

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6. RECOMMENDATIONS

That the Executive:

- 6.1 Approve the Treasury Management Policy Statement as detailed in Appendix A;
- 6.2 Approve the Annual Treasury Management Strategy as detailed in Appendix B;
- 6.3 Recommends the Prudential & Treasury Indicators to Council for approval as detailed in Appendix B.

Previous Reports/Minutes:

Title of Document:

Date:

Contact Officer:

Ref:

Date: