

BOROUGH OF KETTERING

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| Report Originator | Mark Dickenson Head of Resources | Fwd Plan Ref | |
| Wards Affected | All | 1 st March 2017 | |
| Title | TREASURY MANAGEMENT STRATEGY 2017/18 | | |

1. PURPOSE OF REPORT

- a. To report the council's Prudential Indicators for approval (in accordance with statute and the Council's Constitution)
- b. To report the council's updated Treasury Management Policy and Strategy for 2017/18 to full Council as background to the consideration of the Prudential Indicators – the Policy and Strategy were formally approved by the council's Executive Committee at its meeting of 15th February 2017.

2. BACKGROUND

- 2.1 To comply with statutory requirements, the council is required to consider (and approve) a number of 'Prudential Indicators' primarily relating to the forthcoming financial year (2017/18).
- 2.2 This is not a new requirement it has been in existence for a number of years and is annually discharged by Council at its March meeting.

3. DETAILS

- 3.1 The 'Prudential Indicators' are part of a national data set that require annual consideration by Council.
- 3.2 They are designed to provide a robust yet flexible framework against which a local authority's treasury management activities are undertaken and monitored.
- 3.3 The Prudential Indicators themselves are highly technical in nature and some in calculation. The majority are derived directly from the council's budgets for the year (in relation to cash flow estimates and capital expenditure plans). As such, they result from applying set calculations to the council's budget and spending plans to arrive at a set of indicators that require formal Council approval.
- 3.4 **Appendix A** contains the full list of Prudential Indicators that require Council approval and also contains an explanation of what each of the main indicators represent.

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3.5 The indicators are an integral element of the council's Treasury Management Policy and Strategy that was formally approved by the Executive Committee at its meeting of 15th February 2017. Both of these documents are reproduced at **Appendix B** for background information.

3.6 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).

4. CONSULTATION AND CUSTOMER IMPACT

4.1 In terms of Treasury Management activity, there is no direct customer impact.

5. POLICY IMPLICATIONS

5.1 The Prudential Indicators are in accordance with the council's Treasury Management Policy and Strategy.

6. USE OF RESOURCES

6.1 The Treasury Management Policy and Strategy (together with the Prudential Indicators) provide the framework and parameters that are required to shape the council's Treasury Management activities.

7. RECOMMENDATIONS

7.1 That Council approves the Prudential Indicators (as detailed in **Appendix A**)

7.2 That Council notes the Treasury Management Policy and Strategy (as detailed in **Appendix B**)

Background Papers:

Title of Document: Treasury Management Strategy

Contact Officers: M Dickenson .

Previous Reports/Minutes:

Ref: Exec Report 15/2/2017