



27TH FEBRUARY 2014

COUNCIL

AGENDA ITEM (11)

TREASURY MANAGEMENT STRATEGY 2014/15

Accountable Members	Audit and Scrutiny Committee
Accountable Officer	Jenny Poole Chief Finance Officer 01285 623313 jenny.poole@cotswold.gov.uk
Purpose of Report	To consider the draft Treasury Management Strategy and Investment Strategy 2014/15 to 2015/16
Recommendation(s)	That the Treasury Management Strategy and Investment Strategy 2014/15 to 2015/16 be approved.
Reason(s) for Recommendation(s)	The Local Government Act 2003 requires the Council to set out its Treasury Management Strategy and to prepare an Annual Investment Strategy.
Ward(s) Affected	N/A
Key Decision	No
Recommendation to Council	N/A
Financial Implications	The target for investment income from cash investments for 2014/15 is £178,270. This report sets out the Strategy which will be implemented to achieve this target.
Legal and Human Rights Implications	The Local Government Act 2003 requires the Council to set out its Treasury Management Strategy and to prepare an Annual Investment Strategy. The Minimum Revenue Provision (MRP) Statement satisfies the requirements of The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 (Statutory Instrument 2008/414).
Environmental and Sustainability Implications	None
Human Resource Implications	None

Key Risks	Risk is being minimised by the application of minimum credit rating criteria before investments are made. In order to preserve the security and liquidity of its funds, the Council only makes investments following the scrutiny of credit rating and other data provided by Capita, the Council's treasury management advisers, along with information from other sources. The strategy sets out the minimum credit criteria that are required before the Council will invest with a counterparty, but it should be noted that these are not the sole criteria applied. For example, credit default swaps, sovereign support mechanisms and information from the financial press will also be taken into account.
Equalities Impact Assessment	Not Required

Related Decisions	None
Background Documents	CIPFA Publication - Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes (Updated Edition November 2011) ODPM Document - Guidance on Local Government Investments (Second edition - 11 March 2010)
Appendices	Appendix 'A' - Treasury Management Strategy 2014/15 Appendix 'B' - Counterparty list (UK Institutions) as at 13 th January 2014 Appendix 'C' - Counterparty list (non UK institutions) as at 20 th January 2014 Appendix 'D' - Minimum Revenue Provision Policy (MRP) 2014/15

Performance Management Follow Up	Investment performance will be reported to the Audit and Scrutiny Committee quarterly and to the Council at half-year and year end. Internal Audit will check compliance with the strategies during service reviews and will report any non-compliance identified as part of its monitoring reports to the Audit and Scrutiny Committee.
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Background Information	<ol style="list-style-type: none"> The Council is required, on an annual basis, to approve a Treasury Management and Annual Investment Strategy prior to the commencement of the financial year. The Strategy proposed for 2014/15, with supporting information, is attached as Appendices 'A' to 'D' to this report. The draft strategy has been based upon a template provide by the Council's treasury advisers, Capita, which has been modified to this Council's circumstances. The annual investment strategy investment options have been selected to minimise the risk to the Council's investments whilst providing the scope and flexibility of investment options to enable to the Council to maximise its investment returns.
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