

# CITY COUNCIL

27 February 2012



## **CABINET MINUTE 118A**

### **Treasury Management Strategy Statement and Annual Investment Strategy 2012/13 - Recommendations to the City Council**

Further to minute 118 above,

the City Council is Recommended to approve -

- (1) the Treasury Management Policy Statement as submitted in Appendix A to the written report;
- (2) the Treasury Management Strategy Statement for 2012/13;
- (3) the Investment Strategy for 2012/13 as set out in Sections 8 and 9 of the written report including the use of specified and non-specified investments;
- (4) the lending organisations and counterparty limits as set out in Appendix D to the written report;
- (5) the prudential indicators as set out in the written report covering the revised indicators/limits for 2011/12 and the forecasts/limits for 2012/13 to 2014/15;
- (6) the authorised borrowing limits of £309m, £284m and £274m for the period 2012/13 to 2014/15;
- (7) the operational boundary of £279m, £268m and £259m for 2012/13 to 2014/15;
- (8) the minimum revenue provision for debt redemption policy for 2012/13.

### **CABINET MINUTE 118 IS SET OUT BELOW FOR INFORMATION ONLY –**

#### **TREASURY MANAGEMENT STRATEGY STATEMENT AND ANNUAL INVESTMENT STRATEGY 2012/13**

The Director for Corporate Services submitted a written report setting out the Council's Treasury Management Strategy for borrowing and Annual Investment Strategy.

The report indicated -

- (a) that the borrowing and investment strategy sought to balance financial returns from the Council's cash balances whilst at the same time minimising financial risk to the Council;
- (b) how the treasury management function contributed to the Council's overall policy objectives;
- (c) the risks inherent within the treasury management function and how officers would seek to minimise those risks;
- (d) that any amendments to the Treasury Management Strategy would require the approval of Cabinet with the exception of changes to the prudential indicators which required approval by the City Council;
- (e) that the strategy over the medium term would be to align borrowing with the capital financing requirement and investments with available balances and reserves;
- (f) that the Council would continue to regard risk, security and liquidity as the key factors in all its investments with the interest rate only considered after these prime objectives;
- (g) that following discussions with the Council's treasury management advisers, Arlingclose, it is proposed that investments were limited to a maximum of one year with organisations meeting the appropriate credit quality, with consideration to longer-term investments in pooled funds and government/corporate bonds;
- (h) the Council's prudential indicators for the next three years together with the minimum revenue provision for debt redemption policy for 2012/13;
- (i) that the CIPFA code of practice on treasury management required a formal mid year report and an end of year report to be presented to the City Council.

Agreed that the Director for Corporate Services, acting under delegated authority in accordance with the constitution, keeps the lending list under review and updates the list during the year as dictated by market circumstances.

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*Note:*

*The full report in connection with this minute is available on the website*

*[www.plymouth.gov.uk/democracy](http://www.plymouth.gov.uk/democracy)*

*or by contacting Democratic Support on 01752 304867*