

Report to: **Cabinet**  
Date: **26 January 2016**  
By: **Chief Operating Officer**  
Title of report: **Treasury Management Policy and Strategy 2016/17**  
Purpose of report: **This report proposes the Treasury Management Policy and Strategy for 2016/17. The Council is also required to set Prudential Indicators as set out in the Prudential Code which are included in this strategy for approval.**

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## ***RECOMMENDATIONS***

**Cabinet is recommended to recommend the County Council to:**

- 1) approve the Treasury Management Policy and Strategy Statement for 2016/17;**
  - 2) approve the Prudential and Treasury Indicators 2016/17 to 2018/19; and**
  - 3) approve the Minimum Revenue Provision (MRP) Policy Statement for 2016/17.**
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### **1. Background**

1.1 A requirement under the Chartered Institute for Public Finance and Accountancy (CIPFA) Code of Practice for Treasury Management in the Public Services is to prepare a Treasury Management Policy and Strategy setting out the Council's policies for managing investments and borrowing.

1.2 The Local Government Act 2003 and supporting regulations requires the Council to 'have regard to' the Prudential Code and to set Prudential Indicators for the next three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable.

1.3 The proposed Treasury Management Policy and Strategy Statement for 2016/17 is presented in **Appendix 'A'** to this report.

1.4 The strategy includes the Treasury Management Policy Statement, the Treasury Management Strategy Statement, the Annual Investment Strategy, Prudential and Treasury Indicators for the next three years and the annual Minimum Revenue Provision Policy Statement.

1.5 Details of changes to the 2016/17 borrowing and investment strategies are included in sections 5.3 and 6.2 respectively.

### **2. Supporting Information**

#### ***Treasury Management Reporting***

2.1 As well as this annual strategy, the CIPFA Code requires the Council reports as a minimum:

- A mid-year review;
- An annual report at the close of the year.

2.2 This Council meets this requirement and also presents a treasury management monitoring position to Cabinet four times a year.

## ***Economic Background***

2.3 The Council takes advice from Capita Asset Services on its treasury management activities. A detailed view of the current economic situation and forecasts, as prepared by Capita Asset Services is included in **Appendix 'B'** to this report.

### **3. Conclusion and recommendations**

3.1 This policy sets out the acceptable limits on ratings, investment periods, amounts to be invested and the borrowing strategy. Cabinet will be aware that the financial position is kept under constant review and if at any time it is felt that any of these limits represent an unacceptable risk appropriate and immediate action will be taken accordingly.

3.2 Cabinet recommend the Treasury Management Policy and Strategy Statement 2016/17 for approval by the County Council.

**KEVIN FOSTER**

**Chief Operating Officer**

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Local Member(s): All

### **BACKGROUND DOCUMENTS**

CIPFA Prudential Code /CIPFA Treasury Management in the Public Services - Code of Practice

Local Government Act 2003 Local Government Investments

CLG Capital Finance – Guidance on the Minimum Revenue Provision, February 2012