



**Meeting:** Council  
**Date:** Wednesday 18 May 2010  
**Subject:** Treasury management  
**Report of:** Councillor Mattock on behalf of the Cabinet

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The Council is asked to consider the minute and resolution of the Cabinet meeting held on 31 March 2010 as set out below.

Further copies of the report to Cabinet are available on request – please see end of this report. Copies may be seen on the Council’s website at:  
<http://www.eastbourne.gov.uk/council/meetings/cabinet/>

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**The Council is recommended to:-**

**Approve the following as set out in the Chief Finance Officers’ report to the Cabinet:**

1. The new CIPFA treasury management code of practice.
  2. The treasury management policy statement.
  3. The treasury management scheme of delegation.
  4. The treasury management role of the section 151 Officer.
  5. The treasury management strategy and annual investment strategy.
  6. The specified and non-specified investment categories.
  7. The prudential and treasury indicators.
  8. The methodology for calculating the minimum revenue provision.
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**Minute Extract**  
**CABINET 31 March 2010**

**\*134 Finance matters, including treasury management**

- 134.1 Councillor David Elkin addressed the Cabinet and welcomed the proposals in the report.
- 134.2 Cabinet considered the report of the Chief Finance Officer seeking approval to the new CIPFA treasury management code of practice, the Council’s treasury management statement, minimum revenue provision and annual investment strategies and the setting of the treasury and prudential indicators.
- 134.3 In the light of the market volatility in 2008, CIPFA (the Chartered Institute of Public Finance and Accountancy) had introduced an amended treasury management code of practice and related guidance. Full Council would be asked to formally adopt the revised code and the revised treasury

management policy statement as set out in appendix 9 to the report. The following areas of responsibility for reporting arrangements were outlined:

<b>Area of responsibility</b>	<b>Council/ committee/ officer</b>	<b>Frequency</b>
Treasury management policy statement (revised)	Full Council	Initial adoption in 2010
Treasury management strategy, annual investment strategy, minimum revenue provision policy	Full Council	Annually before the start of the year
Treasury management strategy, annual investment strategy, minimum revenue provision policy – mid year report	Full Council	Mid year
Treasury management strategy, annual investment strategy, minimum revenue provision policy – updates or revisions at other times	Full Council	As and when required.
Annual treasury outturn report	Full council	Annually by 30 September after the end of the year
Treasury management monitoring reports	Cabinet	Quarterly
Treasury management practices	Cabinet	Initial adoption 2010 and annual reviews.
Scrutiny of treasury management strategy	Audit Committee	Annually before the start of the year
Scrutiny of treasury management performance	Audit Committee	Half yearly

134.5 The Council was under a legal duty to set out its treasury strategy for borrowing and to prepare an annual investment strategy; these set out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments. In preparing these strategies the Council would have regard to CIPFA and relevant statutory guidance issued by the Government. The suggested strategy for 2010/11 in respect of the following aspects of the treasury management function was based upon the treasury officers' views on interest rates, supplemented with leading market forecasts provided by the Council's treasury adviser, Sector Treasury Services. The strategy covered:

- treasury limits in force which will limit the treasury risk and activities of the council
- prudential and treasury indicators
- the current treasury position
- the borrowing requirement
- prospects for interest rates
- the borrowing strategy
- policy on borrowing in advance of need

- debt rescheduling
- the investment strategy
- creditworthiness policy
- policy on use of external service providers
- the minimum revenue provision strategy.

134.6 **Resolved (budget and policy framework):** That full Council be asked to approve:

(1) The adoption of the new CIPFA treasury management in the public services code of practice as per the four clauses set out in appendix 9 to the report.

(2) The treasury management policy statement as set out in appendix 8 to the report.

(3) The treasury management scheme of delegation as set out in appendix 10 of the report.

(4) The treasury management role of the section 151 Officer as set out in appendix 11 of the report.

(5) The treasury management strategy and annual investment strategy as set out in the report.

(6) The specified and non-specified investment categories listed in appendix 5 of the report.

(7) Setting the prudential and treasury indicators as set out in appendix 3 to the report.

(8) The methodology for calculating the minimum revenue provision as set out in the report.

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For a copy of the report please contact Local Democracy at the Town Hall, Eastbourne, BN21 4UG. Tel. (01323) 415022 or 415023.  
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