



**Cabinet recommendations for consideration by Council
at the Council Meeting on Tuesday, 6 December 2011**

Cabinet – 23 November 2011

79 Mid-year Treasury Management Report 2011/2012

The Cabinet considered Report No 190/11 relating to the Mid-year Treasury Management Report 2011/2012, a copy of which was set out at Appendix 1 thereto.

Treasury management in local government was governed by the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management in the Public Services. That Code had been adopted by the Council which complied with its requirements.

Treasury operations related to the management of:

- Banking and cash flows;
- Investments;
- Borrowing to meet capital funding requirements; and
- The effective control of the risks associated with the above activities and the pursuit of capital preservation and the performance consistent with those risks.

The Code recommended that all councillors were informed of Treasury Management activities at least twice each year.

Details relating to some of the issues that were covered in the Mid-year Report were set out in paragraph 4 of Report No 190/11.

The Mid-year Treasury Management Report had identified the need for the Council to approve increases in the Authorised Limit for External Debt and the Operational Boundary for External Debt as a

consequence of the housing reform. In order to factor in required new borrowing of £53m which was needed in 2011/12 to fund a payment to Government, such Prudential Indicators needed to be increased to £72.5m and £67.0m respectively.

Cabinet was requested to recommend to Council that, at its meeting on 6 December 2011, it approves the Mid-year Report. The Audit Committee would be presented with the Report on 5 December 2011 and any comments that it wished to pass to Council would be reported orally.

Recommended:

79.1 That the Council's Authorised Limit for External Debt and the Operational Boundary for External Debt be increased by £53m to £72.5m and £67.0m respectively, as detailed in Report No 190/11; and

DF (to note)

79.2 That the Mid-year Treasury Management Report for 2011/2012, as set out at Appendix 1 to Report No 190/11, be approved.

DF (to note)

Reasons for the Decisions:

The Council's Treasury Management function deals with very large value transactions on a daily basis. It is essential that the Council is satisfied that appropriate controls are in place and in accordance with the Code of Practice on Treasury Management in the Public Services prepared by the Chartered Institute of Public Finance and Accountancy and adopted by the Council.

† *Councillors are requested to bring with them to the meeting Report No 190/11 which was circulated with the agenda papers for the meeting of the Cabinet on 23 November 2011. If you require a further copy of the document please contact Trevor Hayward, Committee Officer, on e-mail trevor.hayward@lewes.gov.uk or telephone 01273 484122*