

## MINUTE EXTRACT

### CABINET – 6 NOVEMBER 2017

#### 54 TREASURY MANAGEMENT MONITORING 2017/18 (MID-YEAR REPORT)



**Councillor Janette Williamson (Cabinet Member for Finance and Income Generation) said:**

“The success of the Council is reliant upon the effective management of all of our resources. The approach to Treasury Management is a key element and our proactive and risk aware approach has delivered significant financial benefits in recent years.

This has continued this year with Treasury Management projected to deliver a cash benefit of £6.1 million during 2017/18 with £4 million of this recurring in future years.

Achieving savings of such significant levels provides huge support to the front-line services residents rely on. We are able to achieve these savings from making business decisions regarding borrowing and investments to take advantage of commercial and funding opportunities alongside the security, liquidity and return on any investments.”

Councillor Janette Williamson introduced a report, which stated that the Authority’s treasury management activity was underpinned by CIPFA’s Code of Practice on Treasury Management (“the Code”), which required the production of annual Prudential Indicators and a Treasury Management Strategy Statement on likely financing and investment activity. The Code also recommended that Members were informed of treasury management activities at least twice a year.

The report fulfilled the Authority’s legal obligation under the Local Government Act 2003 to have regard to both the CIPFA Code and the Department for Communities and Local Government (CLG) Investment Guidance.

Proactive Treasury Management activity had resulted in:

- a) Estimated one-off savings in 2017/18 of a minimum of £2 million from reduced interest payments and management of the Authority’s Capital Financing. This has been reflected in the Revenue Monitoring (Quarter 2) Report to Cabinet.
- b) A further saving of £4.1 million being generated in 2017/18 as a result of revising the Council’s Minimum Revenue Provision (MRP) Policy. This saving would be recurring on an annually reducing basis over a 17-year period. Subject to Council

approval of the policy change the impact of this would be reported in the Revenue Monitoring (Quarter 3) report to Cabinet.

Councillor Williamson thanked the Treasury Management Team for a really positive report.

**RESOLVED: That -**

- (1) the Treasury Management Mid-Year Report for 2017/18 be agreed;**
- (2) the revision to the Council's Minimum Revenue Provision (MRP) Policy in selecting the annuity method within 'Option 3 Asset Life' for calculating the MRP, be endorsed and that this be referred to Council for approval;**
- (3) the estimated saving of £2 million from Treasury Management activities in 2017/18 be noted;**
- (4) the additional saving of £4.1 million from the revision to the Treasury Management Minimum Revenue Provision (MRP) Policy in 2017/18 be noted;**
- (5) the revised Authorised Signatory List relating to Treasury Management activity be approved.**