

Audit, Governance & Standards Committee

Thursday, 1 February 2018

MINUTES

Present:

Councillor Jane Potter (Chair), Councillor Tom Baker-Price (Vice-Chair) and Councillors Natalie Brookes, Michael Chalk, Andrew Fry, Mark Shurmer, Yvonne Smith and David Thain

Also Present:

D Jones, R Percival and N Preece (Grant Thornton)

Officers:

Andy Bromage, Chris Forrester and Jayne Pickering

Democratic Services Officer:

Jess Bayley

87. TREASURY MANAGEMENT STRATEGY, PRUDENTIAL INDICATORS AND MINIMUM REVENUE POLICY PROVISION 2018/19

The Executive Director of Finance and Corporate Resources presented the Treasury Management Strategy 2018/19. During the presentation of this report the following matters were highlighted for Members' consideration:

- The Council had adopted CIPFA's code of practice in respect of treasury management eight years previously.
- The Capital Financing Requirement (CFR) underlined the Council's need to borrow for capital purposes.
- The local authority, like most Councils, tended to borrow from the Public Loans Works Board (PLWB).
- Due to risks of exposure in respect of liquidity the Council had to ensure that it had access to £3 million in cash within three months.

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Chair

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- Like many local authorities the Council had authorised limits for borrowing as well as operational limits for officers.

After the report had been presented Members discussed a number of areas in detail:

- The reasons why the investments on new borrowing requirements were increasing and what this entailed. Officers explained that this was the Council's forecast borrowing which was needed to support the capital programme. There was an assumption being made that borrowing would need to increase.
- The levels at which the costs of borrowing could fluctuate over time.
- The potential to use the Council's capital receipts to invest in capital spending.
- The potential for Members to be provided with more information about the contents of the Council's Capital Programme.
- The arrangement whereby funding was borrowed from the Housing Revenue Account (HRA) by the General Fund and the potential need to borrow from other sources in the long-term.
- The arrangements by which officers built calculations around sustainability into the Council's Medium Term Financial Plan (MTFP).
- The need for more borrowing in the long-term to help accommodate the costs arising from the housing growth programme.

RECOMMENDED that

- 1) **the Strategy and Prudential Indicators at Appendix 1 to the report be approved; and**
- 2) **the Treasury Management Policy at Appendix 2 to the report be approved.**

The Meeting commenced at 7.00 pm
and closed at 8.40 pm