

AUDIT COMMITTEE

31 January, 2018

PRESENT - Councillor Baldwin (in the Chair); Councillors Crudass and McEwan. (3)

OFFICERS – Peter Carrick, Central Finance Manager and Elaine Hufford, Finance Manager

ALSO IN ATTENDANCE –

A26. DECLARATIONS OF INTEREST – There were no declarations of interest reported at the meeting.

A27. PRUDENTIAL INDICATORS AND TREASURY MANAGEMENT STRATEGY REPORT 2018/19 – The Director of Neighbourhood Services and Resources submitted a report (previously circulated) requesting that this Committee reviews and scrutinises the Council's Treasury Management Strategy 2018/19 and its associated policies, the Treasury Management Prudential Indicators and a Policy Statement relating to the Minimum Reserve Position (MRP) and make any necessary amendments or comments thereon prior to consideration by Cabinet and Council.

The submitted report outlined the Council's Prudential Indicators for 2018/19 to 2020/21 and set out the expected treasury operations for this period and it was reported that the Council's capital expenditure plans, treasury management and prudential borrowing activities indicated that they were within the statutory framework and consistent with the relevant codes of practice, prudent, affordable, and sustainable and were an integral part of the Council's Revenue and Capital Medium-Term Financial Plans.

The submitted report also included a Treasury Management Strategy for 2018/19, covering the Council's debt and investment projections estimates and limits on future debt, expected movements in interest rates and the Council's borrowing and investment strategies for future years. Key objectives of the investment strategy were outlined noting that the primary objective was the safeguarding of the repayment of principal due to the Council, ensuring adequate liquidity of those investments and finally the rate of return on the investment.

Discussion ensued on the change in the Council's Treasury Management Consultants from Capita Assets Services to Link Asset Services; CIPFA's review of its Prudential Code and the Treasury Management Code of Practice, particularly in relation to the change in focus on non-treasury investments and especially the purchase of property with a view to generating income, which included a requirement for the Council to produce and approve a high level Capital Strategy to outline its approach to non-treasury investments; and the option of a loan facility to Registered Social Landlords (RSL's).

RESOLVED – That this Audit Committee is satisfied with the Prudential Indicators and Treasury Management Strategy, the Minimum Reserve Position statement and the Annual Investment Strategy 2018/19, as presented in the submitted report, and that the report be forwarded to Cabinet for its onward referral to Council for consideration.

