

Report of Special Committee (Constitution Review)

9th February 2011

* Chairman: Councillor Anthony Finn

* Vice-Chairman: Councillor Joan Scannell

Councillors

* Jack Cohen	Tom Davey	* Barry Rawlings
* Melvin Cohen	* Andrew Harper	* Alan Schneiderman
* Richard Cornelius	* Alison Moore	

* denotes Member present

PROCESS FOR APPROVAL OF TREASURY MANAGEMENT STRATEGY (Report of the Deputy Chief Executive – Agenda item 9)

The Committee noted the recommendations of CIPFA's publication entitled *Treasury Management in the Public Services: Guidance Notes for Authorities including Police Authorities and Fire Authorities Fully Revised Third Edition 2009* and, in particular, the recommendation to have the Treasury Management Strategy (including the annual investment strategy) approved by Full Council.

The Committee agreed to recommend to Council that the Constitution be amended to require the Treasury Management Strategy and amendments to be approved by full Council prior to the start of the financial year.

RESOLVED TO RECOMMEND –

(1) That the Council approves the amendments to Part 1, Section 7 of the Financial Regulations in the Council's Constitution as set out the attached Appendix.

(2) That the Democratic Services Manager be instructed to make the appropriate amendments to the Constitution.

APPENDIX

7. TREASURY MANAGEMENT FRAMEWORK

- 7.1 The Council adopts the key recommendations contained in "The Prudential Code for Capital Finance in Local Authorities – fully revised second edition (CIPFA, 2009), "Treasury Management in the Public Services: Code of Practice and cross sectoral guidance notes (CIPFA, 2009) and any subsequent recommended good practice by CIPFA.

Adherence to Prudential Code

This organisation adopts the key recommendations of CIPFA's Treasury Management in the Public Services Code of Practice (the Code), as described in Section 4 of that code.

- 7.2 Cabinet Resources Committee will create and maintain a Treasury Management Policy Statement (TMPS), stating the policies and objectives of its treasury management activities.
- 7.3 The Chief Financial Officer will create and maintain suitable Treasury Management Practices (TMPs), setting out the manner in which the Authority will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

The content of the policy statement and TMPs will predominantly follow the recommendations contained in Section 6 and 7 of the Code, subject only to amendment where necessary to reflect the particular circumstances of the organisation. Such amendments will not result in the authority materially deviating from the Code's key recommendations.

- 7.4 Cabinet Resources Committee will receive reports on its treasury management policies, practices and activities, including an annual strategy and plan in advance of the financial year, and an annual report after its close in the form prescribed in the TMPs. These reports will incorporate the prudential borrowing limits and performance indicators.
- 7.5 The Treasury Management Strategy (including the annual investment strategy), and any amendments thereto shall be approved by Council prior to the start of the financial year.**
- 7.6 The Chief Financial Officer has the delegated authority to undertake long term borrowing on behalf of the Authority and will issue a Delegated Powers Report immediately after this power is exercised to inform Members.

This organisation delegates responsibility for the implementation and the monitoring of its treasury management policies and practices to the Executive and the updating of the Treasury Management Practices, and for the execution and administration of treasury management decisions to the Chief Financial Officer, who will act in accordance with the organisation's policy statement and TMPs and CIPFA's Standard of Professional Practices on Treasury Management.