

Meeting:	Council
Date:	Wednesday 27 February 2002
Subject:	Borrowing Limit and Treasury Management Policy for 2002/2003
Report of:	Councillor Lacey on behalf of the Cabinet.
<p>The Council is asked to consider the Cabinet minute and resolution from the meeting held on 6 February 2002. These are set out below.</p> <p>A copy of the report was circulated to all Members with the Cabinet agenda (item 7) to which reference should be made. Further copies are available on request – please see end of this report.</p>	
<p><u>The Council is recommended to:-</u></p> <p>Approve the Cabinet's proposals.</p>	
<p>Minute Extract</p> <p>CABINET – 6 February 2002</p>	
*116	<p>BORROWING LIMIT AND TREASURY MANAGEMENT POLICY FOR 2002/03. Councillor Lacey presented the report of the Director of Finance and Corporate Services. The report was submitted in accordance with the requirements of the Local Government and Housing Act 1989 providing for the local authority to make certain determinations at the commencement of each financial year. A new Code of Practice on Treasury Management in the Public Services had recently been published by CIPFA to apply from 1 April 2002. The Code represented a substantial revision from the previous 1996 Code and continued to be a proper practice under the provisions of the Local Government and Housing Act 1989 and as such was required to be formally adopted by the Council.</p> <p>The Director of Finance and Corporate Services reported that the annual fee paid to the Council's Treasury Advisors included consultations on the Council's borrowing limit and that the advice provided was impartial.</p> <p>RESOLVED: (1) That for the year 2002/03:-</p> <p>(a) An overall borrowing limit of £42m be determined.</p> <p>(b) The short term borrowing limit be set at 15% of the overall borrowing limit.</p> <p>(c) The proportion of the total amount of interest payable by the Council which may be at variable rates be up to 25%.</p>

the Cabinet and that the execution and administration of treasury management decisions be the responsibility of the Director of Finance and Corporate Services who will act in accordance with the Council's policy statement and treasury management practices, and CIPFA's Standard of Professional Practice on Treasury Management.

(e) Determine that its Treasury Management Policy Statement be as follows:-

(i) The Council defines its treasury management activities as:

"The management of its cashflows, banking, money market and capital market transactions; the effective management and control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks".

(ii) The Council regards the successful identification, monitoring and management and control of risks to be the prime criteria by which effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of its treasury management activities will focus on their risk implications for the Council.

(iii) The Council acknowledges that effective treasury management will provide support towards the achievements of its business and service objectives. It is therefore committed to the principle of achieving best value in treasury management, and to employing suitable performance measurement techniques, within the context of effective risk management.

<p>For a copy of the report please contact Democratic Services at the Town Hall, Eastbourne, BN21 4UG. Tel. (01323) 415022.</p> <p>E.Mail councillors@eastbourne.gov.uk</p> <p>For further information please contact Bruce Bird, Head of Financial Management, 1 Grove Road, Eastbourne. Tel. (01323) 415146 (or internally on extension 5146.</p>	

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