

Meeting: Council

Portfolio Area: Resources

Date: 3 October 2007

PRUDENTIAL INDICATORS

[Finance]

NON-KEY DECISION

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1 PURPOSE

1.1 To approve changes to the Treasury Management Performance Indicators as recommended by Executive on 12 September 2007.

2 RECOMMENDATIONS

2.1 That it is recommended that Council approves the amendments to the Prudential Indicators as detailed in Appendix A.

3 BACKGROUND

3.1 After considering a detailed Treasury Management Report, the Executive on 12 September resolved to close the external fund and invest the money through the Council's internally managed arrangements.

4 REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

4.1 The closure of the external fund will require a consequential change to the Council's Prudential Indicators which require approval by Full Council. The changes are detailed in appendix A.

4.2 Our in-house fund will continue to be professionally guided by our Treasury Management advisors (Sector) who will notify us of new investment opportunities as they become available on the market that meet our strict treasury management

investment criteria, plus provide a wide range of forecasting data on interest rates, gilts etc. to help inform our daily investment decisions.

5 IMPLICATIONS

5.1 Financial Implications

Based on past performance, by bringing part of the fund back in-house, it should be possible to obtain a better and guaranteed return. At this time of budget pressure, to have a defined return would make budgeting easier as there will be a known income stream.

5.2 Legal Implications

None identified at this time.

5.3 Policy, Service Delivery, Information Technology, and Other Corporate Implications

None identified at this time.

BACKGROUND DOCUMENTS

- Invesco returns
- Sector analysis
- In-house returns

APPENDIX

- Appendix A Amended Prudential Indicators