

Chairperson and Committee Members
CORPORATE BUSINESS COMMITTEE

2 APRIL 2015

Meeting Status: **Public**

Purpose of Report: For Information

DRAFT TREASURY MANAGEMENT POLICY

PURPOSE OF REPORT

- 1 This report seeks the Corporate Business Committee's approval of the revised Treasury Management Policy attached as Appendix 1.

Delegation

- 2 The Corporate Business Committee has delegated authority to consider this Report under Section B.3.7 of the Governance Structure.

Policy

7.4 Authority, within the strategic direction established by Council, to develop financial policies other than those required to be incorporated in the LTP.

BACKGROUND

- 3 The Treasury Management Policy sets out a framework for the Council to manage its borrowing and investment activities in accordance with Council objectives, and incorporating legislative requirements.
- 4 The Treasury Management Policy is no longer required to be included in the Council's Long Term Plan (LTP) and so any revisions and updates can be approved by the Corporate Business Committee. However, it is still required to be reviewed at least every three years. Accordingly the Policy has been formally reviewed and updated for the Committee's consideration.

CONSIDERATIONS

- 5 The main difference between the previous Treasury Management Policy (included within the 2012/32 LTP) and the new draft Treasury Management Policy is essentially a separation of the old policy into a succinct, high level Treasury Management Policy document (Appendix 1) and a detailed Treasury Management Manual which contains a lot of the operational information from the old policy.
- 6 Following a review by PricewaterhouseCoopers, some new information has been included in both documents to reflect best practice and new legislative requirements, particularly financial prudence benchmarks.

Financial Considerations

- 7 There are no direct financial implications. The Treasury Management Policy, by definition has considerable financial implications, notably with regard to the management of debt and the strategic assets that, either in part or "as a whole" the debt may be funding.

Legal Considerations

- 8 It is a requirement of the Local Government Act 2002 for a local authority to have policies in respect of investments and the management of both borrowings and liabilities. This Policy is in accordance with the relevant clauses of the Local Government Act 2002.

Consultation

- 9 Given the specialised nature of the Policy, our advisors PricewaterhouseCoopers have been consulted with during the review. The draft Policy has also been provided to our Auditors for their review.

Policy Implications

- 10 The policy review period has not changed and the Treasury Management Policy is required to be reviewed at least every three years.

Tāngata Whenua Considerations

- 11 There are no tāngata whenua considerations.

Publicity Considerations

- 12 There are no publicity considerations.

SIGNIFICANCE AND ENGAGEMENT

- 13 This issue is not considered significant in terms of Council's Significance and Engagement Policy and there is no requirement to publicly consult on it.

RECOMMENDATIONS

- 14 That the Corporate Business Services Committee approves the Treasury Management Policy, attached as Appendix 1 to Report Corp-15-1535.

Report prepared by:

Approved for submission by:

Mark de Haast
Financial Controller

Wayne Maxwell
Group Manager
Corporate Services

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ATTACHMENTS:

Appendix 1: Draft Treasury Management Policy