

Present: Barnett (Chair), Baigent, Bick, Dalzell, Green and Sargeant

<p style="text-align: center;"><b>RECOMMENDATION TO COUNCIL (EXECUTIVE COUNCILLOR FOR FINANCE AND RESOURCES COUNCILLOR ROBERTSON )</b></p>
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**TREASURY MANAGEMENT HALF YEARLY UPDATE REPORT 2018/19**

The Council had adopted The Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management (Revised 2017).

The Code required as a minimum receipt by full Council of an Annual Treasury Management Strategy Statement which includes the Annual Investment Strategy and Minimum Revenue Provision Policy for the year ahead, a half-year review report and an Annual Report (stewardship report) covering activities in the previous year.

The half-year report had been prepared in accordance with CIPFA's Code of Practice on Treasury Management and covers the following:-

- The Council's capital expenditure (prudential indicators);
- A review of compliance with Treasury and Prudential Limits for 2018/19;
- A review of the Council's borrowing strategy for 2018/19;
- A review of the Treasury Management Strategy Statement and Annual Investment Strategy;
- A review of the Council's investment portfolio for 2018/19; and;
- An update on interest rate forecasts following economic news in the first half of the 2018/19 financial year.

In line with the Code of Practice, all treasury management reports have been presented to both Strategy & Resources Scrutiny Committee and to full Council.

The Strategy and Resources Committee considered and approved the recommendations unanimously.

**Accordingly, Council is recommended:**

- i. To approve the report which included the Council's estimated Prudential and Treasury Indicators 2018/19 to 2021/22.
- ii. To approve a £5m limit on secured bonds with local businesses

subject to due diligence as highlighted in paragraph 8 of the officer's report.

- iii. That the Minimum Revenue Provision (MRP) Policy will be updated to state that no MRP will be required if this bond is secured, but to be reviewed at least annually.
- iv. To agree the principle of investing up to £5m in a bond issued by Allia Limited, and delegated to the Head of Finance the final decision on the appropriateness of this investment, once detailed due diligence has been completed as set out in paragraph 8.9 of the Officer's report;
- v. That the counterparty limit for Barclays Bank Plc be increased by £10m to £35m; and;
- vi. That the Money Market Fund (MMF) counterparty limit be reduced by £10m to £5m for each fund, with a total MMF limit of £20m (and to continue using MMFs that are rated AAA).