

STRATEGY & RESOURCES**11 February 2019**

5.00- 8.55 pm

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

RECOMMENDATION TO COUNCIL**Treasury Management Strategy Statement Report 2019/20 to 2022/23**

The Council is required to receive and approve as a minimum three main treasury management reports each year, which incorporates a variety of policies, estimates and actuals.

The Treasury Management and Investment Strategy incorporates prudential and treasury indicators which covers:

- Capital plans (including prudential indicators)
- A Minimum Revenue Provision policy which explains how unfinanced capital expenditure will be charged to revenue over time;
- The Treasury Management Strategy (how investments and borrowings are to be organised) including treasury indicators; and
- An investment strategy (the parameters on how investments are to be managed)

A mid-year treasury management report is produced to update Members on the progress of the capital position, amending prudential indicators as necessary and advise if any policies require revision.

The Outturn or Annual Report compares actual performance to the estimates in the Strategy.

The statutory framework for the prudential system under which local government operates is set out in the Local Government Act 2003 and Capital Financing and Accounting Statutory Instruments. The framework incorporates four statutory codes. These are:

- The Prudential Code prepared by CIPFA
- The Treasury Management Code prepared by CIPFA

- The Statutory Guidance on Local Authority Investments prepared by Ministry of Housing, Communities and Local Government (MHCLG)
- The Statutory Guidance on Minimum Revenue Provision prepared by MHCLG

CIPFA have published a revised Prudential Code (2017 edition) with accompanying Guidance Notes for Practitioners (2018 edition) and the Treasury Management Code (2017 edition).

The MHCLG have also published a revised Investment Guidance and Minimum Revenue Provision Guidance (both commenced on 1st April 2018). This report therefore reflects the new requirements particularly to expand the Investment Strategy to non-financial assets such as investments in property.

Resolved (unanimously) to recommend to Council to:

- i. Approve the estimated Prudential & Treasury Indicators for 2019/20 to 2022/23, inclusive, as set out in Appendix C to the officers report;
- ii. Increase the Money Market Fund (MMF) limit to £15 million per fund, with no maximum limit overall;
- iii. Use Enhanced Money Market Funds (EMMFs) with a credit rating not lower than AAF, as assessed by any one of the credit rating agencies, with an initial counterparty limit of £5m per fund; and;
- iv. Increase the Council's Authorised Borrowing Limit (external borrowing) to £300 million.