

**STRATEGY & RESOURCES****8 February 2021**

5.00- 10.05 pm

**Present:** Councillors Barnett (Chair), Robertson (Vice-Chair), Bick, Dalzell, Davies and Green

**RECOMMENDATION TO COUNCIL****Treasury Management Strategy Statement Report 2020/21 to 2023/24**

The Council is required to receive and approve, as a minimum, three main treasury management reports each year.

The first and most important is the Treasury Management Strategy (this report), 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
- a Treasury Management 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 advising 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 (2017 edition) prepared by CIPFA;
- the Treasury Management Code (2017 edition) prepared by CIPFA;
- the Statutory Guidance on Local Authority Investments prepared by Ministry of Housing, Communities and Local Government (MHCLG) (effective 1 April 2018); and

- the Statutory Guidance on Minimum Revenue Provision prepared by MHCLG (effective 1 April 2019).

**Resolved (unanimously):**

To recommend Council:

- i. Approve this report including the estimated Prudential & Treasury Indicators for 2021/22 to 2024/25 (inclusive) as set out in Appendix C of the officer's report.
- ii. Authorise the increase in the limit for external debt from £400 million to £450 million on 1 April 2022, and to £550 million on 1 April 2023, in order to provide sufficient headroom for external borrowing to finance the HRA new build programme in accordance with the HRA capital plan.