

Report to:	COUNCIL
Relevant Officer:	Steve Thompson, Director of Resources
Relevant Cabinet Member:	Councillor Blackburn, Leader of the Council
Date of Meeting:	27 February 2019

TREASURY MANAGEMENT STRATEGY 2019/2020

1.0 Purpose of the report:

- 1.1 To consider the recommendations of the Executive from its meeting on 4 February 2019 regarding the Treasury Management Strategy for the financial year 2019/2020.

2.0 Recommendation(s):

- 2.1 To approve the recommendations of the Executive to Council from its meeting held on 4 February 2019, namely:
 - 2.1.1 To approve the Treasury Management Strategy 2019/20 including both the Borrowing and Investment Strategies which are set out in Annex C and Annex D to the Executive report.
 - 2.1.2 To adopt the Treasury Management Policy Statement, the three key principles and four clauses taken from CIPFA's Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes (2017 Edition) and set out in Annex B to the Executive report.
 - 2.1.3 To approve the revised Prudential Indicators and limits for 2018/19 and the new Prudential Indicators and limits for 2019/20 – 2021/22 which are set out in Annex E to the Executive report.
 - 2.1.3 To approve the Minimum Revenue Provision Policy Statement for 2018/19, which will ensure a prudent Minimum Revenue Provision charge in the annual statement of accounts. The policy is set out within Annex D to the report to the Executive.

3.0 Reasons for recommendation(s):

- 3.1 A feature of the 2017 edition of the CIPFA Code of Practice on treasury management activities is the annual approval of strategy and reporting of performance information. This report previously circulated to members under separate cover sets

out the Council's Treasury Management Strategy for 2019/20.

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| 3.2a | Is the recommendation contrary to a plan or strategy adopted or approved by the Council? | Yes – however, when approved this strategy will replace the current Treasury Management Strategy. |
| 3.2b | Is the recommendation in accordance with the Council's approved budget? | Yes |
| 3.3 | Other alternative options to be considered:

None | |
| 4.0 Council Priority: | | |
| 4.1 | The relevant Council priorities are "The economy: Maximising growth and opportunity across Blackpool" and "Communities: Creating stronger communities and increasing resilience". | |
| 5.0 Background Information | | |
| 5.1 | The Council is required by statute to publish an annual Treasury Management Strategy incorporating its Investment Strategy. | |
| 5.2 | In essence, the Treasury Management Strategy is an annual plan of how Blackpool Council will manage its investments and cashflows. It identifies the Council's borrowing needs and shows how it will invest temporary surplus cash balances and how it will control its banking, money market and capital market transactions. | |
| 5.3 | The Scale of Operations at Annex A in the report to the Executive shows the levels of capital expenditure, long-term borrowing and temporary investments and the impact that spending on new capital schemes has on average Council Tax levels. | |
| 5.4 | All Members of the Council should have received copies of the papers considered by the Executive at its meeting on 4 February 2019, in connection with the Treasury Management Strategy available via this link | |
| 5.5 | Does the information submitted include any exempt information? | No |

5.6 List of Appendices:

Appendix 6 (a) – Executive Decision Notice EX12/2019 – Treasury Management Strategy – 4 February 2019.

6.0 Legal considerations:

6.1 None.

7.0 Human Resources considerations:

7.1 None.

8.0 Equalities considerations:

8.1 None.

9.0 Financial considerations:

9.1 Detailed in the report and Annexes A, B, C and D, which were circulated with the Executive agenda for its meeting on 4 February 2019.

10.0 Risk management considerations:

10.1 The key risks are outlined in the report and Annexes, circulated under separate cover, and can be summarised in the following categories:

1. Liquidity Risk (accessibility and/or running out of cash)
2. Market Risk (movements in interest rates – yield)
3. Credit Risk (investment counterparties might default – security)
4. Legal Risk (transactions and actions legal/within regulatory limits)
5. Operational Risk (adequacy of internal processes)

11.0 Ethical considerations:

11.1 None.

12.0 Internal/ External Consultation undertaken:

12.1 Consultation has previously taken place with the Council's Treasury Management Panel.

13.0 Background papers:

13.1 None.

