

<b>Notice of:</b>	<b>EXECUTIVE</b>
<b>Decision Number:</b>	EX11/2021
<b>Relevant Officer:</b>	Steve Thompson, Director of Resources
<b>Relevant Cabinet Member:</b>	Councillor Lynn Williams, Leader of the Council
<b>Date of Meeting:</b>	8 February 2021

## TREASURY MANAGEMENT STRATEGY REPORT 2021/22

### 1.0 Purpose of the report:

- 1.1 To consider The Treasury Management Strategy Report 2021/22 and its annexes A, B, C, D, E and F.

### 2.0 Recommendation(s):

- 2.1 To recommend to the Council:

1. To approve the Treasury Management Strategy 2021/22 including both the Borrowing and Investment Strategies which are set out in Annex C and Annex D to the Executive report.
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.
3. To approve the revised Prudential Indicators and limits for 2020/21 and the new Prudential Indicators and limits for 2021/22 – 2023/24 which are set out in Annex E to the Executive report.
4. To approve the Minimum Revenue Provision Policy Statement for 2021/22, which will ensure a prudent Minimum Revenue Provision charge in the annual statement of accounts. The policy is set out in Annex F to the Executive report.

### **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. The report to the Executive at Appendix 6a sets out the Council's Treasury Management Strategy for 2021/22.

3.2 Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No

3.3 Is the recommendation in accordance with the Council's approved budget? Yes

### **4.0 Other alternative options to be considered:**

4.1 None.

### **5.0 Council priority:**

5.1 The relevant Council priority is: "The economy: Maximising growth and opportunity across Blackpool".

### **6.0 Background information**

6.1 The Council is required by statute to publish an annual Treasury Management Strategy.

6.2 The objectives of the Treasury Management Strategy are as follows:

- To set the framework for the Council's treasury management operations
- To manage the Council's investments and cashflows
- To control banking, money market and capital market transactions
- To plan and secure appropriate borrowing in order to finance the requirements of the Capital Strategy at the lowest overall cost to the Council
- To achieve the best rates of return from investment of temporary surplus cash balances commensurate with risk, subject to the overriding principle of maintaining an acceptable level of security
- To monitor and control effectively the risks associated with these transactions
- To comply with appropriate codes and regulations including the International Financial Reporting Standards as they apply to Treasury Management.

6.3 In delivering the above objectives, the Council is required to:

- Determine its own borrowing limits taking into account its financial situation, long-term plans and in particular what it thinks affordable now and sustainable in the future

- Monitor its borrowing limits using performance measures called prudential indicators
- Consider annual and six-monthly reports on Treasury Management which contain prudential indicators.

6.4 Does the information submitted include any exempt information No

**7.0 List of Appendices:**

7.1 Appendix 6a: Treasury Management Strategy 2021/22  
 Annex A – Scale of Operations  
 Annex B – Treasury Management Policy Statement 2021/22-2023/24  
 Annex C – Borrowing Strategy  
 Annex D – Investment Strategy 2021/22-2023/24  
 Annex E – Prudential Indicators 2021/22-2023/24  
 Annex F – Minimum Revenue Provision (MRP) Strategy 2021/22-2023/24

**8.0 Financial considerations:**

8.1 Please see the Report at Appendix 6a and its Annexes A to F

**9.0 Legal considerations:**

9.1 None.

**10.0 Risk management considerations:**

- 10.1
- Liquidity Risk (accessibility and/or running out of cash)
  - Market Risk (movements in interest rates – yield)
  - Credit Risk (investment counterparties might default – security)
  - Legal Risk (transactions and actions legal/within regulatory limits)
  - Operational Risk (adequacy of internal processes)

**11.0 Equalities considerations:**

11.1 None.

**12.0 Sustainability, climate change and environmental considerations:**

12.1 None.

**13.0 Internal/external consultation undertaken:**

13.1 With Council's Treasury Management Panel

**14.0 Background papers:**

14.1 None.

**15.0 Key decision information:**

15.1 Is this a key decision? Yes

15.2 If so, Forward Plan reference number: 20/2020

15.3 If a key decision, is the decision required in less than five days? N/A

15.4 If **yes**, please describe the reason for urgency:

**16.0 Call-in information:**

16.1 Are there any grounds for urgency, which would cause this decision to be exempt from the call-in process? No

16.2 If **yes**, please give reason:

**TO BE COMPLETED BY THE HEAD OF DEMOCRATIC GOVERNANCE**

**17.0 Scrutiny Committee Chairman (where appropriate):**

Date informed: 28 January 2021 Date approved:

**18.0 Declarations of interest (if applicable):**

18.1 None.

**19.0 Executive decision:**

19.1 The Executive resolved as follows:

To recommend to the Council:

1. To approve the Treasury Management Strategy 2021/22 including both the Borrowing and Investment Strategies which are set out in Annex C and Annex D to this report.
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 this report.
3. To approve the revised Prudential Indicators and limits for 2020/21 and the new Prudential Indicators and limits for 2021/22 – 2023/24 which are set out in Annex E to this report.
4. To approve the Minimum Revenue Provision Policy Statement for 2021/22, which will ensure a prudent Minimum Revenue Provision charge in the annual statement of accounts. The policy is set out in Annex F to this report.

**20.0 Date of Decision:**

20.1 8 February 2021

**21.0 Reason(s) for decision:**

21.1 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. The report to the Executive at Appendix 6a sets out the Council's Treasury Management Strategy for 2021/22.

**22.0 Date Decision published:**

22.1 9 February 2021

**23.0 Executive Members in attendance:**

23.1 Councillor L Williams, in the Chair

Councillors Benson, Brookes, Campbell, Farrell, Hobson, Kirkland, Smith and Taylor

**24.0 Call-in:**

24.1

**25.0 Notes:**

25.1