

Report to:	EXECUTIVE
Relevant Officer:	Steve Thompson, Director of Resources
Relevant Cabinet Member:	Councillor Simon Blackburn, Leader of the Council
Date of Meeting:	8 th February 2016

TREASURY MANAGEMENT STRATEGY 2016/17

1.0 Purpose of the report:

- 1.1 The Treasury Management Strategy for the financial year 2016/17 and its Annexes A, B, C and D.

2.0 Recommendation(s):

To recommend to Council to:

- 2.1 Adopt all the Elements of the Treasury Management Strategy 2016/17 and to approve the Prudential Indicators and Limits for 2016/17 to 2018/19 which are set out in Annex B to this report.
- 2.2 Approve the Prudential Indicators and Limits for 2016/17 to 2018/19 which are set out in Annex C to this report.
- 2.3 Approve the Minimum Revenue Provision Policy Statement for 2015/16 and 2016/17 which contains significant changes from the previous year but, which will ensure a more prudent Minimum Revenue Provision charge in the annual statement of accounts. The policy is set out within Annex D to this report.
- 2.4 Approve the Municipal Bond Agency as a source of new borrowing for the Council. (further details are provided in Annex B, paragraph 4.5 of this report).

3.0 Reasons for recommendation(s):

- 3.1 A feature of the 2011 edition of the CIPFA Code of Practice on treasury management activities is the annual approval of strategy and reporting of performance information. The report circulated to members sets out the Council's Treasury Management Strategy for 2016/17

- 3.2a Is the recommendation contrary to a plan or strategy adopted or approved by the Council?

No

- 3.2b Is the recommendation in accordance with the Council’s approved budget? Not applicable - the report once approved will become part of the Council’s new approved budget
- 3.3 Other alternative options to be considered:
None
- 4.0 Council Priority:**
- 4.1 The relevant Council Priority is
“The economy: Maximising growth and opportunity across Blackpool”
- 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 shows the levels of capital expenditure, long-term borrowing and temporary investments and also the impact that spending on new capital schemes has on average council tax levels.
- 5.4 Does the information submitted include any exempt information? No

5.5 List of Appendices:

Treasury Management Strategy 2016/17

Annex A – Scale of Operations

Annex B - Elements of the Treasury Management Strategy 2016/17 –
2018/19

Annex C – Prudential Indicators

Annex – D Policy on Minimum Revenue Provision

(All circulated to members under separate cover)

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 Please see the Report and its Annexes A, B, C and D.

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)

Operational Risk (adequacy of internal processes)

11.0 Ethical considerations:

11.1 None

12.0 Internal/ External Consultation undertaken:

12.1 With the Council's Treasury Management Panel

13.0 Background papers:

13.1 None

14.0 Key decision information:

14.1 Is this a key decision? Yes

14.2 If so, Forward Plan reference number: 31/2015

14.3 If a key decision, is the decision required in less than five days? No

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

15.0 Call-in information:

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

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

TO BE COMPLETED BY THE HEAD OF DEMOCRATIC GOVERNANCE

16.0 Scrutiny Committee Chairman (where appropriate):

Date informed: 29th January 2016 Date approved:

17.0 Declarations of interest (if applicable):

17.1

18.0 Executive decision:

18.1

18.2 Date of Decision:

19.0 Reason(s) for decision:

19.1 Date Decision published:

20.0 Executive Members in attendance:

20.1

21.0 Call-in:

21.1

22.0 Notes:

22.1