

Report to:	COUNCIL
Relevant Officer:	Steve Thompson, Director of Resources
Relevant Cabinet Member:	Councillor Blackburn, Leader of the Council
Date of Meeting:	27 February 2015

TREASURY MANAGEMENT STRATEGY 2015/ 2016

1.0 Purpose of the report:

1.1 The Council will be asked to consider the recommendations of the Executive in relation to the Treasury Management Strategy for the financial year 2015/ 2016.

2.0 Recommendation(s):

2.1 To approve the recommendations of the Executive to Council from its meeting held on 9 February 2015, namely:

2.1.1 To adopt all the Elements of the Treasury Management Strategy 2015/ 2016 and to approve the Prudential Indicators and limits for 2015/2016 – 2017/2018 as set in Annex B to the report to the Executive.

2.1.2 To approve the Prudential Indicators and Limits for 2015/ 2016 – 2017/ 2018 as set out in Annex C to the report to the Executive.

2.1.3 To approve the Minimum Revenue Provision Policy Statement for 2015/ 2016 as set out in Annex D to the report to the Executive.

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.

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 Priority is "Deliver quality services through a professional, well-rewarded and motivated workforce."
- 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 9 February, in connection with the Treasury Management Strategy. If any member requires further copies then please contact the Democratic Governance division on 01253 477034. Attached at Appendix 4 (a) is the decision notice from that meeting of the Executive.
- 5.5 Does the information submitted include any exempt information? No
- 5.6 List of Appendices:**
Appendix 4 (a) – Executive Decision Notice EX8/2015 – Treasury Management Strategy – 9 February 2015
- 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 9 February 2015.

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.