

<b>Report to:</b>	<b>EXECUTIVE</b>
<b>Relevant Officer:</b>	Steve Thompson, Director of Resources
<b>Relevant Cabinet Member:</b>	Councillor Simon Blackburn, Leader of the Council
<b>Date of Meeting:</b>	10 February 2020

## **TREASURY MANAGEMENT STRATEGY REPORT 2020/21**

### **1.0 Purpose of the report:**

1.1 The Treasury Management Strategy Report 2020/21 and its Annexes A, B, C, D, E and F.

### **2.0 Recommendation:**

2.1 To recommend that the Council:

1. Approves the Treasury Management Strategy 2020/21 including both the Borrowing and Investment Strategies which are set out in Annex C and Annex D to this report;
2. Adopts 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. Approves the revised Prudential Indicators and limits for 2019/20 and the new Prudential Indicators and limits for 2020/21 – 2022/23 which are set out in Annex E to this report, and
4. Approves the Minimum Revenue Provision Policy Statement for 2020/21, 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.

### **3.0 Reasons for recommendation:**

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 circulated to members under separate cover sets out the Council's Treasury Management Strategy for 2020/21.

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? Yes

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 Borrowing and Investment Strategies. It is also required to prepare a Capital Strategy incorporating both strategic investments for economic regeneration as well as more detailed capital plans for effective service delivery. The Council's Capital Strategy is the subject of a separate report and will be presented to the Executive and then to Full Council with the Treasury Management 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 Does the information submitted include any exempt information? No

#### **5.4 List of Appendices:**

Annex A – Scale of Operations

Annex B – Treasury Management Policy Statement 2020/21-2022/23

Annex C – Borrowing Strategy

Annex D – Investment Strategy 2020/21-2022/23

Annex E – Prudential Indicators 2020/21-2022/23

Annex F – Minimum Revenue Provision (MRP) Strategy 2020/21-2022/23

(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 to F.

**10.0 Risk management considerations:**

- 10.1
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 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: 31/2019
- 14.3 If a key decision, is the decision required in less than five days? N/A

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:

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

Date informed: 31 January 2020 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