

Audit and Governance Committee

20 March 2019

**TREASURY MANAGEMENT STRATEGY STATEMENT 2019/20, ANNUAL REVENUE PROVISION POLICY STATEMENT AND ANNUAL INVESTMENT STRATEGY**

WARDS AFFECTED

*All*

EXEMPT/CONFIDENTIAL ITEM

*No*

1. PROPOSED DECISION

1.1 Members are requested to consider and endorse the Strategy document as included in the Budget Report considered and approved by Council on 27 February 2019.

2. JUSTIFICATION FOR THE DECISION

2.1 The Terms of Reference of the Audit and Governance Committee require it to ensure that the financial management and control systems are effective, including risk management arrangements. It is considered that such responsibilities incorporate those arrangements relating to the Treasury Management activity of the Council

2.2 An Audit Commission report 'Risk and Return' was published after a review of Treasury Management activity in Local Authorities following the Icelandic Banking system collapse in October 2008. The findings make reference to the need for those Members charged with corporate governance to have oversight of the Treasury Management Strategy of the Council.

3. FACTS SUPPORTING THE PROPOSED DECISION

3.1 Appended to this report is the Council's Treasury Management Strategy for 2019/20 and the Treasury Management Limits & Prudential Indicators for 2018/19 to 2021/22. This document was included in the Budget Report approved by Council at its meeting on 27 February 2019.

3.2 The Council is committed to maintaining, and constantly seeking to improve, wherever possible, the control, risk management and governance of its activities. As previously, and in keeping with the findings of the Audit Commission report, the Treasury Management Strategy Statement for the forthcoming financial year is submitted for consideration by the Audit and Governance Committee as the "body charged with governance" within the Council.

3.3 An Interim Treasury Management Strategy Report for 2018/19 was provided to members of the Committee on 12 November 2018 which provided:-

- An update on Interest Rates and prospects for future Interest Rates;

- A review of the Treasury Management Strategy Statement and Annual Investment Strategy and update on the current investment and borrowing portfolios;
  - A review of any debt rescheduling undertaken and any possible opportunities during 2018/19;
  - A review of compliance with Treasury Limits and Prudential Indicators for 2018/19 and forward Treasury Limits and Prudential Indicators for 2019/20 and 2020/21.
- 3.4 Cabinet will continue to consider Strategic Investment options that will help move the Council forward to 2020 and beyond and any decisions that are taken on the back of these would result in a review of the Treasury Management Strategy Statement.

4. RISKS ASSOCIATED WITH THE PROPOSED DECISION

None

5. OTHER IMPLICATIONS

Legal - None

Financial – All implications are incorporated into latest Budget figures.

Human Resources - None

Land and Property (Asset) - None

Anti-Poverty - None

Effects on existing Council Policy - None

Effects on other Council Activities - None

Human Rights - None

Agenda 21 - None

Equalities - None

Asset Management - None

Health – None

6. PREVIOUS APPROVAL/CONSULTATION

The Treasury Management Strategy, Treasury Management Limits and Prudential Indicators have previously been considered and approved by Council on 27 February 2019.

7. ALTERNATIVE OPTIONS AND IMPLICATIONS THEREOF

None

8. APPENDICES

Appendix A – Treasury Management Strategy Statement 2019/20, Annual Revenue Provision Policy Statement and Annual Investment Strategy

Cath Fogarty  
Strategic Director of Corporate Services

The Contact Officer for this report is Jon Ridgeon, Business Support Manager (Corporate Finance) (telephone 01744 676701).