

Cherwell District Council

Accounts, Audit and Risk Committee

23 January 2019

Draft Treasury Management Strategies 2019/20

Report of the Executive Director – Finance (Interim)

This report is public

Purpose of report

To submit the draft suite of Treasury Management Strategies for 2019/20.

1.0 Recommendations

The meeting is recommended:

- 1.1 To recommend the draft Treasury Management Strategies 2019/20 to Council.

2.0 Introduction

- 2.1 The Code of Practice on Treasury Management, approved by the Chartered Institute of Public Finance and Accountancy (CIPFA) and adopted in full by the Council in 2004, requires that Treasury Management, Capital and Investment Strategies are produced prior to the beginning of the financial year to which they relate. These strategies form the cornerstone of proper treasury management, and are central to the operation, management reporting and performance assessment.
- 2.2 The Council appointed Arlingclose as its Treasury Management advisor in April 2017. The highest standard of stewardship of public funds remains of the utmost importance to the Council.

3.0 Report Details

Draft Treasury Management Strategy 2019/20

- 3.1 The proposed strategy for 2019/20 (Appendix 1) has been fully reviewed and updated.
- 3.2 In consultation with Arlingclose and with full reference to the CIPFA Code of Practice, the Council has reviewed its risk appetite and associated priorities in relation to security, liquidity and yield in respect of returns from various financial instruments.

- 3.3 The draft strategy meets the requirements included within the CLG's Guidance on local government investments.

Draft Capital Strategy 2019/20

- 3.4 This strategy is new for 2019/20 and demonstrates how the council takes capital expenditure decisions in line with service objectives and properly takes account of stewardship, value for money, prudence, sustainability and affordability.
- 3.5 The strategy sets out the long-term context in which capital expenditure and investment decisions are made and gives due consideration to both risk and reward and impact on the achievement of priority outcomes.

Draft Investment Strategy 2019/20

- 3.6 This strategy is revised for 2019/20 and now relates only to non-treasury management investments. The purpose of the strategy is to demonstrate how the council:
- Makes investment decisions (governance, advice taken etc)
 - Demonstrates investments are tied to corporate objectives
 - Assesses and monitors risk
 - Assesses and monitors return
 - Ensures there is appropriate capacity, skills and culture to support its strategy
- 3.7 Investments which are covered by this strategy include such things as:
- Loans to third parties (e.g. subsidiaries, charities, businesses)
 - Purchase of shares (in subsidiaries, businesses etc)
 - Property

4.0 Conclusion and Reasons for Recommendations

- 4.1 There is a requirement to produce a revised suite of Treasury Management Strategies prior to the start of each financial year, this requires full council approval.

5.0 Consultation

None

6.0 Alternative Options and Reasons for Rejection

- 6.1 None. This is a requirement placed upon all local authorities.

7.0 Implications

Financial and Resource Implications

- 7.1 There are no financial implications arising directly from this report. The financial implications of Treasury Management activity are incorporated into the draft budget 2019/20 and MTFs 2019/20 to 2023/24.

Comments checked by:
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Legal Implications

- 7.2 Presentation of this report is in line with the CIPFA Code of Practice and Prudential Code.

Comments checked by:
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Risk Management Implications

- 7.3 There are no risk implications arising directly from any outcome of this report. Treasury management is itself the management of risk and therefore these strategies demonstrate how the council manages treasury, capital and investment risk.

Comments checked by:
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8.0 Decision Information

Wards Affected

All wards are affected

Links to Corporate Plan and Policy Framework

All corporate plan themes.

Lead Councillor

Cllr Tony Ilott, Lead Member for Financial Management and Governance

Document Information

Appendix No	Title
Appendix 1	Treasury Management Strategy 2019/20
Appendix 2	Capital Strategy 2019/20
Appendix 3	Investment Strategy 2019/20
Background Papers	
None	
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