

Meeting: Adjourned Council

Date: 11 February 2021

Wards Affected: All Wards in Torbay

Report Title: Treasury Management Strategy 2021/22

Is the decision a key decision? No

When does the decision need to be implemented?

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1. Purpose of Report

- 1.1 The Treasury Management Strategy appended to this report aims to support the provision of all Council services by the management of the Council's cash flow, debt and investment operations in 2021/22 and effectively control the associated risks and the pursuit of optimum performance consistent with those risks.
- 1.2 The views of the Audit Committee are sought ahead of the consideration of this Policy Framework document by the Council at its meetings in February 2021

2. Reason for Proposal and its benefits

- 2.1 The Treasury Management Strategy is considered under a requirement of the CIPFA Code of Practice on Treasury Management which was adopted by the Council on 25 March 2010.
 - 2.2 The approval of an Annual Investment Strategy by Council is a requirement of MHCLG Guidance on Local Government Investments issued by the Secretary of State under section 15(1)(a) of the Local Government Act 2003. This Strategy sets out the Council's policies for managing its investments under the priorities of security first, liquidity second and then returns.
 - 2.3 In addition, the Treasury Management Strategy gives regard to the CIPFA Prudential Code and to set Prudential Indicators for the next three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable.
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3. Recommendation(s) / Proposed Decision

3.1 That the Council approve:

- **the Treasury Management Strategy for 2021/22;**
- **the Prudential Indicators 2021/22; and**
- **the Annual Minimum Revenue Provision Policy Statement for 2021/22**

as set out in the Appendix to this report.

Appendices

Appendix 1: Treasury Management Strategy 2021/22

Supporting Information

1. Introduction

- 1.1 The proposed Treasury Management Strategy for 2021/22 is set out in Appendix 1
- 1.2 The Strategy was considered by Audit Committee as scrutiny body on 23rd November 2020 and the Committee's comments are incorporated in Appendix 1.
- 1.3 Since Audit Committee, the outcome of the consultation on future PWLB borrowing has been published and does not allow access to PWLB borrowing for any capital plan which includes a "debt for yield" project. The strategy has therefore been amended to remove future investment fund projects. A further outcome was the reduction in PWLB rates by 100 basis points from November 2020.

2. Options under consideration

- 2.1 As set out in Appendix 1

3. Financial Opportunities and Implications

- 3.1 As set out in Appendix 1

4. Legal Implications

- 4.1 Treasury risk management at the Council is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2017 Edition (the CIPFA Code) which requires full Council to approve a treasury management strategy before the start of each financial year. This report fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code.

5. Engagement and Consultation

- 5.1 N/A

6. Purchasing or Hiring of Goods and/or Services

- 6.1 N/A

7. Tackling Climate Change

- 7.1 N/A

8. Associated Risks

- 8.1 Treasury management associated risks are managed by compliance with the CIPFA code