

## STAFFORDSHIRE MOORLANDS DISTRICT COUNCIL

### Report to the Audit & Accounts Committee

8<sup>th</sup> February 2019

<b>TITLE:</b>	<b>Treasury Management Strategy Statement (TMSS) 2019/20</b>
<b>PORTFOLIO HOLDER:</b>	<b>Cllr Sybil Ralphs – Leader</b>
<b>CONTACT OFFICER:</b>	<b>Claire Hazeldene – Finance &amp; Procurement Manager Emily Bennetts – Finance Business Partner</b>
<b>WARDS:</b>	<b>Non-Specific</b>

#### Appendices Attached:

#### **Appendix A - Treasury Management Strategy Statement 2019/20**

#### **1. Purpose of the Report**

- 1.1. The purpose of the report is to allow members of the Committee to consider and endorse the Council's Treasury Management Strategy for 2019/20, ensuring that its capital and treasury activities for the next four years are affordable and properly managed.

#### **2. Recommendation**

- 2.1. That the Annual Treasury Management Strategy Statement (TMSS) 2019/20 is recommended to Council for approval.

#### **3. Executive Summary**

- 3.1. The Council is required, in accordance with the Local Government Act 2003, to produce an annual Treasury Management Strategy Statement before the commencement of each financial year.
- 3.2. The Local Government Act 2003 and supporting regulations require the Council to 'have regard to' the Chartered Institute of Public Finance & Accountancy (CIPFA) Prudential Code and Treasury Management Code of Practice. The Council is required to set prudential and treasury indicators for the next four years to ensure that the Council's capital investment plans are affordable, prudent and sustainable.
- 3.3. The 2019/20 Treasury Management Strategy Statement comprises three principal areas:
  - a. **Capital Programme (section 6)**
    - The capital plans and the prudential indicators
    - The minimum revenue provision (MRP) Policy

**b. Treasury Management (section 7)**

- Current Treasury position
- Treasury Indicators
- Prospects for Interest Rates
- The Borrowing Strategy

**c. The Annual Investment Strategy (section 8)**

- Investment Policy
- Creditworthiness Policy
- Investment Income

3.4. Members are asked to note the controls that have been put in place to manage the Council's treasury management risks and activities and to endorse the Treasury Management Strategy for 2019/20.

**4. How this report links to Corporate Priorities**

4.1. Effective treasury management is critical to the safeguarding and management of the financial resources at the Council's disposal. Sufficient financial resources are required to deliver and underpin the Council's corporate priorities.

**5. Options**

5.1. This report sets the proposed treasury management approach based upon the Council's financial plans.

**6. Implications**

6.1. Community Safety - (Crime and Disorder Act 1998)  
None

6.2. Workforce  
None

6.3. Equality and Diversity/Equality Impact Assessment  
This report has been prepared in accordance with the Council's equality and diversity policies.

6.4. Financial Considerations  
Financial considerations are embedded throughout the report.

6.5. Legal  
None

6.6. Sustainability  
None

6.7. Internal and External Consultation

None

6.8. Risk Assessment

There are a number of inherent financial risks associated with treasury management activity, not least the potential for loss of interest and/or deposits.

The Council has engaged Link Asset Services as its treasury management advisors.

Investment and borrowing decisions are made in accordance with the Council's formally adopted Treasury Management Strategy, which is the subject of this report. The Strategy includes a number of risk management features such as the overriding priority that security of deposit takes precedence over return on investment.

**ANDREW P STOKES**

**Executive Director (Transformation) and Chief Finance Officer**

**Background Papers**

'Treasury Management –  
Governance and Scrutiny  
Arrangements'  
(Audit & Accounts  
Committee Sep 09)

**Location**

Moorlands House, Leek

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