

## **Item 9 - Treasury Management Strategy 2019/20**

The attached report was considered by the Finance Advisory Committee on 29 January 2019. The relevant Minute extract is below.

### Finance Advisory Committee (29 January 2019, Minute 46)

The Principal Accountant presented the report which sought a recommendation to approve the Treasury Management Strategy 2019/20. The Local Government Act 2003 (the Act) and supporting regulations required the Council to 'have regard to' the Prudential Code and to set Prudential Indicators for the next three years to ensure that the Council's capital investment plans were affordable, prudent and sustainable. The Act therefore required the Council to set out its treasury strategy for borrowing and to prepare an Annual Investment Strategy (as required by investment guidance issued subsequent to the Act) which sets out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments.

Revised reporting was required for the 2019/20 reporting cycle due to revisions of the Ministry of Housing Communities and Local Government (MHCLG) Investment Guidance, the MHCLG Minimum Revenue Provision (MRP) Guidance, the CIPFA Prudential Code and the CIPFA Treasury Management Code. The primary reporting changes included the introduction of a capital strategy, to provide a longer-term focus to the capital plans, and greater reporting requirements surrounding any commercial activity undertaken under the Localism Act 2011.

In response to questions the Principal Accountant advised that Property Trusts should be regarded as long term investments as returns in the first couple of years were usually below par due to entry fees to the Funds. Although it was an available option within the Strategy, the Council did not usually invest in these as it was deemed that having its own property portfolio the Council would then be too exposed to property as a class of investment. He advised that further to previous concerns with regards to Newcastle Building Society, once the investment with them had matured a better opportunity had presented itself and the money placed elsewhere.

### Public Sector Equality Duty

Members noted that consideration had been given to impacts under the Public Sector Equality Duty.

Resolved: That it be recommended to Cabinet to recommend to Council that the Treasury Management Strategy for 2019/20, be approved.