

**Report for:** Overview & Scrutiny Committee 28 January 2019

**Item number:**

**Title:** Treasury Management Strategy Statement 2019/20 – 2021/22

**Report authorised by:** Jon Warlow, Director of Finance (S151 Officer)

**Lead Officer:** Thomas Skeen, Head of Pensions, Treasury & Chief Accountant  
[thomas.skeen@haringey.gov.uk](mailto:thomas.skeen@haringey.gov.uk) 020 8489 1341

**Ward(s) affected:** N/A

**Report for Key/  
Non Key Decision:** Non Key decision

**1. Describe the issue under consideration**

1.1 To present the Treasury Management Strategy Statement for 2019/20 – 2021/22 to this Committee for scrutiny before it is presented to Corporate Committee and then Full Council for final approval.

**2. Cabinet Member Introduction**

2.1 Not applicable.

**3. Recommendations**

3.1 That the proposed updated Treasury Management Strategy Statement for 2019/20 – 2021/22 is scrutinised and comments made prior to its presentation to Corporate Committee and Council for approval.

**4. Reasons for decision**

4.1 The CIPFA Treasury Management Code of Practice requires all local authorities to agree a Treasury Management Strategy Statement including an Investment Strategy annually in advance of the financial year.

**5. Alternative Options Considered**

5.1 None

**6. Background information**

- 6.1. The CIPFA Treasury Management Code of Practice requires that the Treasury Management Strategy Statement is formulated by the Committee responsible for the monitoring of treasury management, is then subject to scrutiny before being approved by Full Council. In Haringey, the Corporate Committee is responsible for formulating the Treasury Management Strategy Statement for recommendation to full Council through Overview and Scrutiny Committee. Any comments by Overview and Scrutiny will be reported to Corporate Committee. Training will be provided in advance of the meeting by Arlingclose, the Council's Treasury advisor.
- 6.2. The summary set out in Appendix 1 is to bring to members' attention the key elements of the proposed strategy being considered.
- 6.3. The Council's policy regarding LOBO loans has been updated, see paragraph 4.10-4.12 of Appendix 2, the Treasury Management Strategy Statement.

## **7. Contributions to Strategic Outcomes**

- 7.1 The treasury strategy will influence the achievement of the Council's budget.

## **8. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)**

### Finance and Procurement

- 8.1 The approval of a Treasury Management Strategy Statement is a requirement of the CIPFA Treasury Management Code of Practice and CIPFA Prudential Code.
- 8.2 Financial Comments are contained throughout the treasury management strategy statement.

### Legal

- 8.3 The Assistant Director of Corporate Governance has been consulted on the content of this report. The Council must make arrangements for the proper administration of its financial affairs and its power of borrowing is set out in legislation.
- 8.4 The Council is required to determine and keep under review its borrowing and in complying with this requirement it must have regard to the code of practice entitled the "Prudential Code for Capital Finance in Local Authorities" as published by CIPFA from time to time.
- 8.5 As mentioned in this report the CIPFA Treasury Management Code of Practice and the CIPFA Prudential Code requires the Council to agree a

Treasury Management Strategy Statement (TMSS) (including an Investment Strategy). In considering the report Members must take into account the expert financial advice available within it and any further oral advice given at the meeting of the Committee.

### Equalities

8.6 There are no equalities issues arising from this report.

## **9. Use of Appendices**

9.1 Appendix 1 – Summary of Treasury Management Strategy Statement

9.2 Appendix 2 – Treasury Management Strategy Statement  
2019/20 – 2021/22.

## **10. Local Government (Access to Information) Act 1985**

10.1 Not applicable.

## **Appendix 1**

### Summary of Treasury Management Strategy Statement

The CIPFA Treasury Management Code of Practice requires all local authorities to agree a Treasury Management Strategy Statement and various annually in advance of the financial year. The key areas of the strategy are how much borrowing the Council needs to do, where should temporary surplus cash be invested and the Council's limits for various aspects of treasury management.

### Borrowing

The Council borrows to fund capital expenditure. As part of the financial planning process, it is determined how much capital expenditure should be funded through borrowing. The Council has an existing borrowing portfolio and the amount it is proposed to borrow is calculated by reference to capital expenditure to be funded through borrowing and the loans maturing in the year. The expected amount of borrowing is set out in table 1. The strategy also sets out the sources of borrowing the Council could use.

### Investments

The Council invests temporary cash surpluses on a daily basis. When considering where to invest, the Council considers security first – will the money be returned, then liquidity – how quickly will it be returned and then finally yield – what rate of interest will be earned.

The Council is required to agree a framework within which officers can make investments. This consists of a lending list of institutions with credit, monetary and time limits (set out in table 3 of the strategy) and officers cannot lend the Council's monies to any institution not on this list. Part of the framework is the setting of a minimum credit rating - this means that if any institution on the lending list falls below the minimum, then investments would cease and if possible monies would be withdrawn immediately.