

Report for: Overview & Scrutiny Committee 18 January 2021

Title: Treasury Management Strategy Statement 2021/22

Report authorised by: Thomas Skeen, Assistant Director of Finance (Deputy S151 Officer)

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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 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 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 key updates to the proposed strategy being considered are summarised below:

- The Treasury Management Strategy Statement sets out a five year position throughout the report, which better aligns with the Council's medium term financial strategy and budget report.
- Now that PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield, a practice not previously undertaken by this Council, the strategy makes clear the Council's intention to continue to avoid this activity in order to retain its access to PWLB loans.
- As was the case in the last strategy, this Treasury Management Strategy Statement allows for the possibility of the Council diversifying its treasury investments into higher yielding asset classes (paragraph 5.4). Were this to proceed, this would represent a change in the Council's strategy from prior years, and is included in the strategy to allow for this as a possibility at this stage, not for final decision making purposes. This would be the subject of further reports for later in the financial year if this is to proceed further, and would return to Overview and Scrutiny prior to progression.
- The strategy maintains the maximum limit of £5m on any single investment on the basis that the Council's treasury reserve is of this level.

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 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 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 – Treasury Management Strategy Statement 2021/22.

10. Local Government (Access to Information) Act 1985

- 10.1 Not applicable.