

Report for: Corporate Committee

Title: Draft (Revised) Treasury Management Strategy Statement (TMSS) & Minimum Revenue Provision (MRP) Policy - 2017/18 – 2019/20

Report authorised by: Tracie Evans, Chief Operating Officer (CFO)

Lead Officer: Oladapo Shonola, Head of Finance - Treasury & pensions
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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 The Corporate Committee of the Council considered and agreed at its meeting of 31st January 2017 to recommend the draft TMSS, which also contains the MRP policy to Full Council for approval. Subsequent to this decision, officers have been advised that, although implied, approval for recommended policy changes outlined in the report should be explicit.

2. Cabinet Member Introduction

2.1 Not applicable.

3. Recommendations

3.1 That the following additional clarifications in the Council's MRP policy agreed by Corporate Committee are noted and approved by full Council.

3.2 That the proposed changes to the MRP policy are applied from 1st April 2016.

3.3 That full Council note and approve that financial agreements relating to capital investments that are reasonably expected to be returned in at maturity will not, at the discretion of the CFO, attract MRP where it is reasonably expected that the investment will be returned to the Council in full at maturity or over a defined period.

3.4 That full Council note changes to the capital expenditure tables.

3.5 That approvals in 3.1, 3.2, and 3.3 take effect from the date of authorisation of this report; and that these changes be reported to the next ordinary meeting of the Corporate Committee in accordance with Part 3, Section E, paragraph 5.01(b) of the Constitution.

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. The strategy should incorporate the setting of the Council's prudential indicators for the three forthcoming financial years.

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. At its meeting on 31st January 2017, the Corporate Committee agreed to recommend the full Council approve the draft TMSS.
- 6.2. Following the meeting, advice has been given to provide further clarification on the TMSS and MRP policy agreed at Committee to ensure that proper and explicit approval is given by full Council when approving the TMSS and to ensure MRP policy take effect from 1st April 2016.
- 6.3. Attached at appendix 1 is the revised TMSS which contains the clarifications regarding the MRP policy which is to take effect from 1st April 2016.

7. Contributions to Strategic Outcomes

- 7.1 Not applicable.

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

Finance and Procurement

- 8.1 Approval of the recommendations in this report is necessary to allow implementation of some of the savings proposals that have been approved to support the reduction of current year's budget deficit and also essential to the achievement of a balanced budget as set out in the Council's Medium Term Financial Strategy.

Legal

- 8.3 The Assistant Director, Corporate Governance has been consulted in the preparation of this report, and makes the following comments.

8.4 Confirmation is given of the fact that the reasons which give rise to the need to invoke the urgency provisions under Part Three, Section E, sub paragraph 5.01(b) of the Constitution are properly made out. This is on the basis that the meeting of Full Council at which the approval of the Treasury Management Strategy and Statement is due to be considered, is scheduled to take place on 27th February 2017. Accordingly, confirmation can also be given of the fact that the Chief Operating Officer has the delegated authority to take the decision sought in consultation with the Chair of the Corporate Committee.

Equalities

8.6 There are no equalities issues arising from this report.

9. Use of Appendices

9.1 Appendix 1 – Draft (Revised) Treasury Management Strategy Statement 2017/18 – 2019/20.

10. Local Government (Access to Information) Act 1985

10.1 Not applicable.