

Cabinet Meeting Resolution

**Executive
Forward Plan
Reference**

E3162

**Treasury Management Strategy Statement and Treasury
Investment Strategy 2020/21**

Date of Meeting	13-Feb-20								
The Issue	Treasury risk management at the Authority is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2017 Edition (the CIPFA Code) which requires the Authority to approve a treasury management strategy before the start of each financial year. This report fulfils the Authority's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code.								
The decision	<p>RESOLVED (unanimously) that the Cabinet agreed to:</p> <p>2.1 Recommend the actions proposed within the Treasury Management Strategy Statement (Appendix 1) to February Council.</p> <p>The Cabinet also agreed to:</p> <p>2.2 Note the Treasury Management Indicators detailed in Appendix 1 and delegate authority for updating the indicators prior to approval at Full Council on 25th February 2020 to the Chief Finance Officer and Cabinet Member for Resources, in light of any changes to the recommended budget as set out in the Budget Report elsewhere on the agenda for this meeting.</p> <p>2.3 Note that any comments made by the Corporate Audit Committee at their meeting on the 6th February 2020 will be reported to Full Council on the 25th February 2020.</p>								
Rationale for decision	This report is a statutory requirement. Treasury risk management at the Authority is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2017 Edition (the CIPFA Code) which requires the Authority to approve a treasury management strategy before the start of each financial year. This report fulfils the Authority's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code.								
Other options considered	<p>The Chief Financial Officer, having consulted the Cabinet Member for Resources, believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are the table below.</p> <table border="1" data-bbox="494 2011 1594 2132"> <thead> <tr> <th>Alternative</th> <th>Impact on income and expenditure</th> <th>Impact on risk management</th> </tr> </thead> <tbody> <tr> <td>Invest in a narrower</td> <td>Interest income will</td> <td>Lower chance of losses from</td> </tr> </tbody> </table>			Alternative	Impact on income and expenditure	Impact on risk management	Invest in a narrower	Interest income will	Lower chance of losses from
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	range of counterparties and/or for shorter times.	be lower.	credit related defaults, but a such losses may be greater.
	Invest in a wider range of counterparties and/or for longer times.	Interest income will be higher.	Increased risk of losses from credit related defaults, but a such losses may be smaller.
	Borrow additional sums at long-term fixed interest rates.	Debt interest costs will rise; this is unlikely to be offset by higher investment income.	Higher investment balance leading to a higher impact in the event of a default; however long-term interest costs may more certain.
	Borrow short-term or variable loans instead of long-term fixed rates.	Debt interest costs will initially be lower.	Increases in debt interest cost will be broadly offset by rising investment income in the medium term, but long-term costs may be less certain.
	Reduce level of borrowing.	Saving on debt interest is likely to exceed lost investment income.	Reduced investment balance leading to a lower impact in event of a default; however long-term interest costs may less certain.

The Decision is subject to Call-In within 5 working days of publication of the decision