



## FLINTSHIRE COUNTY COUNCIL

<b>Date of Meeting</b>	Tuesday 14 <sup>th</sup> February 2016/17
<b>Report Subject</b>	Treasury Management Strategy 2017/18 & Mid-Year Report 2016/17
<b>Report Author</b>	Chief Executive and Corporate Finance Manager

### EXECUTIVE SUMMARY

The report presents the Treasury Management Strategy 2017/18 and the Treasury Management Mid-Year review 2016/17 for approval.

At a meeting of the Audit Committee on 25<sup>th</sup> January 2017 Members reviewed the Strategy and the Mid-Year review and recommended to Cabinet that the Council approves both.

Cabinet have received and approved the recommendation of the Audit Committee. The Cabinet report, which includes both appendices, is included at Appendix A.

### RECOMMENDATIONS

1	Members approve the: <ul style="list-style-type: none"><li>• Treasury Management Strategy 2017/18</li><li>• Treasury Management Mid-Year Report 2016/17</li></ul>
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## **REPORT DETAILS**

<b>1.00</b>	<b>BACKGROUND TO THE REPORT</b>
1.01	The Local Government Act 2003 requires all local authorities to have due regard to both the Chartered Institute of Public Finance and Accountancy's Treasury Management in Public Services: Code of Practice (The CIPFA Code of Practice) and Welsh Government guidance on Local Authority Investments.
1.02	<p>The Council has adopted The CIPFA Code of Practice which requires:-</p> <ul style="list-style-type: none"><li>• The Council to create and maintain a Treasury Management Policy Statement which states the Council's policies, objectives and approach to risk management of its treasury management activities.</li><li>• The Council to create and maintain suitable Treasury Management Practices (TMPs) and accompanying schedules, stating how those policies and objectives will be achieved and prescribing how those activities will be managed and controlled.</li><li>• The Council to receive reports on its treasury management policies, practices and activities, including, as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after its close, in the form prescribed in its TMPs.</li><li>• Responsibility for Treasury Management to be clearly defined. The Council delegates responsibility for the implementation and regular monitoring of its treasury management policies and practices to the Cabinet, and for the execution and administration of treasury management decisions to the Corporate Finance Manager, who will act in accordance with the organisation's policy statement and TMPs and, CIPFA's <i>Standard of Professional Practice on Treasury Management</i>.</li><li>• A body to be responsible for the scrutiny of Treasury Management Policy, Strategy and Practices. The Council has nominated the Audit Committee to be responsible for ensuring effective scrutiny of the treasury management function. The Audit Committee has previously agreed to include treasury management as a standing item on each quarterly agenda to receive an update.</li></ul>
1.03	The Welsh Government guidance on Local Authority investments requires that the Council prepares an Investment strategy before the start of each financial year which sets out the Council's policies for the prudent management of its investments, giving priority, firstly to the security of those investments (protecting the capital sum from loss), and secondly liquidity (keeping money readily available for expenditure). The generation of investment income is distinct from these prudential objectives, however provided that proper levels of security and liquidity are achieved, it may (but only then) be reasonable to seek the highest yield consistent with those priorities.

	<p>The guidance stipulates that the investment strategy must also include the following:</p> <ul style="list-style-type: none"> <li>• Specified Investments</li> <li>• Non-specified Investments</li> <li>• Credit Risk Assessment</li> <li>• Investment Consultants</li> <li>• Investment Training</li> <li>• Investment of money borrowed in advance of need</li> </ul>
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<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	Financial implications are addressed in the attached report to Cabinet and its appendices; no other resource implications directly as a result of this report.

<b>3.00</b>	<b>CONSULTATIONS REQUIRED / CARRIED OUT</b>
3.01	Arlingclose Ltd, being the Council's treasury management advisors.

<b>4.00</b>	<b>RISK MANAGEMENT</b>
4.01	Risk Management directly addressed within appendices including identification of risks and measures to mitigate likelihood and impact of risks identified.

<b>5.00</b>	<b>APPENDICES</b>
5.01	Appendix A - Cabinet report: Treasury Management Strategy 2017/18 & Treasury Management Mid-Year Review 2016/17

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	<p><b>Contact Officer:</b> Liz Thomas – Technical Finance Manager  <b>Telephone:</b> 01352 702289  <b>E-mail:</b> <a href="mailto:liz.thomas@flintshire.gov.uk">liz.thomas@flintshire.gov.uk</a></p>

<b>7.00</b>	<b>GLOSSARY OF TERMS</b>
7.01	Please see the attached Cabinet report at Appendix A