

For Publication

Fire and Rescue Authority  
23 March 2021

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**REPORT AUTHOR:** CHIEF FIRE OFFICER AND TREASURER

**SUBJECT:** TREASURY MANAGEMENT STRATEGY AND PRACTICES

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Background Papers:

The Treasury Management Strategy and Treasury Management Policies for 2020/21 were reviewed and approved by the Fire and Rescue Authority on 11<sup>th</sup> February 2020

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Implications (tick ✓):

LEGAL		FINANCIAL	✓
HUMAN RESOURCES		EQUALITY IMPACT	
ENVIRONMENTAL		POLICY	✓
ORGANISATIONAL RISK	✓	OTHER (please specify)	

*Any implications affecting this report are noted at the end of the report.*

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## PURPOSE

To review the Authority's Treasury Management Strategy Statement and Treasury Management Policies.

## RECOMMENDATIONS

1. To consider and approve the following documents:
  - i. Treasury Management Strategy Statement
  - ii. Minimum Revenue Provision Policy and Annual Investment Strategy
  - iii. Treasury Management Practices
2. To consider if the Authority wishes to receive Treasury Management training in 2021/22.

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### 1. Outcome

- 1.1 Sound internal control and governance arrangements for Treasury Management will ensure the Authority can reduce the risk it faces from treasury management activities.

### 2. Reason for Report

- 2.1 Treasury management activities can be defined as follows:

*'The management of the organisation's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities and the pursuit of optimum performance consistent with those risks.'* Source the Chartered Institute of Public Finance and Accountancy (CIPFA).

- 2.2 The reporting of treasury management activity and the treasury management prudential indicators must meet the requirements of the 2009, 2011 and 2017 revised CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local Authorities (as required through Regulations issued under the Local Government Act 2003). The main 2017 Code updates, for information, are noted in para 3.2 below.

### 3. Updated Documentation

- 3.1 The Authority is required to consider and scrutinise the relevant treasury management documents. The updated documents for the next financial year that are attached are:
- The Treasury Management Strategy (including the Minimum Revenue Provision Policy and Annual Investment Strategy)
  - Treasury Management Practices
- 3.2 The updated Treasury Management Strategy Statement is attached at Appendix A. There was an update in 2017 to the Code. These updates are summarised on pages 37 and 38 of Appendix 7. They were updated to capture the increasingly commercial approach being taken by many councils who are investing in property, with many outside of their own authority's area. The Code is now less prescriptive as to what indicators to be included in the strategy. There have been no further updates since.
- 3.3 Since 2018/19, Inter Authority lending has also been included as an option to consider, should this arise, within the Strategy at para 6.4.
- 3.4 The Treasury Management Practices are in accordance with the requirements of the Code and Guidance. The updated Treasury Management Practices are attached to this report for Members scrutiny and consideration at Appendix B. These documents provide the cornerstones for effective treasury management and ensure the approved Treasury Management Strategy is adhered to.

The Treasury Management Practices set out the manner in which the Authority will seek to achieve those policies and objectives, and prescribe how it will manage and control those activities.

There are no material updates to comment on for 2021/22. Minor updates include the removal of a reference to a Policy and Challenge Group, dates and including the title of Chief Fire Officer/Chief Executive.

#### 4. Treasury Management and Support

4.1 The Treasurer recognises that treasury management is inevitably a highly technical and challenging area. To ensure that those Authority Members tasked with treasury management responsibility, including those responsible for scrutiny, have the support they need the following training was previously arranged:

- Training sessions were provided to Members in 2011, 2013 and 2015 by Capita Asset Services (now Link Asset Services).
- The most recent training was again provided by Link Asset Services at the Members Development on 4 July 2017. A further training session can be arranged in 2020/21 should Members request this. This is recommended by the Treasurer as good practice.

4.2 The current contract with Link Asset Services, for the provision of Treasury advice, expires at the end of May 2021, so the procurement of these services is currently underway.

#### 5. Equality and Diversity Implications

5.1 There are no equality and diversity implications arising from this report.

#### 6. Financial Implications and Value for Money

6.1 The Authority currently has:

- a total borrowing of £9.987m,
- short-term investments of up to £5m, £18m if including short term notice accounts (95 to 180 day notice)
- budgeted interest of £65k in 2021/22 from investments.

It is vital these transactions are managed efficiently and effectively.

#### 7. Health and Safety and Environmental Implications

7.1 None arising from this report.

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