

For Publication

Bedfordshire Fire and Rescue Authority
Corporate Services Policy and Challenge Group
7 March 2016
Item No. 10

REPORT AUTHOR: CHIEF FIRE OFFICER AND TREASURER

SUBJECT: TREASURY MANAGEMENT STRATEGY AND PRACTICES

For further information on this Report contact: G Chambers
Head of Finance/Treasurer
Tel No: 01234 845016

Background Papers:

The Treasury Management Strategy and Treasury Management Policies for 2015/16 were scrutinised by the Corporate Services Policy and Challenge Group on 3 March 2015 and approved by the Fire and Rescue Authority on 31 March 2015

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.

PURPOSE

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

RECOMMENDATION

To consider the documents and recommend that the Fire and Rescue Authority adopt the updated:

- i. Treasury Management Strategy Statement
 - ii. Minimum Revenue Provision Policy and Annual Investment Strategy
 - iii. Treasury Management Practices
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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 and 2011 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 2011 Code updates were very minor. In addition to the revised codes, the Government issued new investment guidance in March 2010 following consultation on changes to the capital finance system.

3. Updated Documentation

3.1 The Authority is required to consider and scrutinise the relevant treasury management documents. The revised documents that are attached are:

- The Treasury Management Strategy (including the Minimum Revenue Provision Policy and Annual Investment Strategy)
- Treasury Management Practices

The Corporate Services Policy and Challenge Group was nominated by the Fire and Rescue Authority on 10 December 2010 as the Group to scrutinise Treasury Management.

3.2 The updated Treasury Management Strategy Statement is attached at Appendix A. There are no material updates from the 2015 statement to comment on.

3.3 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.

Again, there are no material updates to comment on for 2016.

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 arranged:

- Training sessions were provided to Members in 2011 and 2013 by Capita Asset Services.
- The most recent training was again provided by Capita at the Members Development on 2nd July 2015.

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 accumulative borrowing of £10.087m,
- has short-term investments of up to £10m,
- budgeted interest of £100k in 2016/17 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.

**PAUL FULLER
CHIEF FIRE OFFICER**

**GAVIN CHAMBERS
TREASURER**