

ANGUS COUNCIL

**SCRUTINY & AUDIT COMMITTEE – 7 MARCH 2017
MEETING OF ANGUS COUNCIL – 23 MARCH 2017**

TREASURY MANAGEMENT STRATEGY STATEMENT 2017/18

REPORT BY THE HEAD OF CORPORATE IMPROVEMENT AND FINANCE

ABSTRACT

This report seeks Members approval of the proposed Treasury Management Strategy for Angus Council in 2017/18. The production of a Treasury Management Strategy Statement for the forthcoming financial year is a requirement of the Treasury Management in the Public Services Code of Practice issued by the Chartered Institute of Public Finance and Accountancy. This report also presents the 2017/18 Treasury Management Strategy Statement for review by the Scrutiny and Audit Committee.

1 RECOMMENDATIONS

1.1 It is recommended that the Council:

1.1.1 Approve the proposed Treasury Management Strategy Statement and Annual Investment Strategy for 2017/18 attached as Appendix A to this report;

1.1.2 Approve the Treasury Indicators in Appendix A – Annex D (Tables 2 and 3); and

1.2 It is recommended that the Scrutiny and Audit Committee:

1.2.1 Review and scrutinise the proposed Treasury Management Strategy Statement and Annual Investment Strategy for 2017/18 attached as Appendix A to this report; and

1.2.2 Provide any commentary considered appropriate at this time.

2 ALIGNMENT TO THE ANGUS COMMUNITY PLAN / SINGLE OUTCOME AGREEMENT / COPORATE PLAN

2.1 Effective Treasury Management maximises the resources available to the Council to provide services. The activities undertaken through the Council's treasury management processes within the framework of the Treasury Management Strategy therefore contribute as a whole to the local outcomes contained within the Angus Community Plan and Single Outcome Agreement 2013-2016.

3 BACKGROUND

3.1 The need to prepare a Treasury Management Policy Statement and a Treasury Management Strategy Statement is a requirement of the 2011 Treasury Management in the Public Services Code of Practice published by the Chartered Institute of Public Finance and Accountancy. The attached Treasury Management Strategy Statement has been prepared in accordance with this Code.

3.2 The purpose of the Treasury Management Strategy Statement is to develop borrowing, investment and debt rescheduling strategies for the forthcoming financial year based on prospects for interest rates. The strategies adopted take account of the current treasury position and treasury limits in force which will limit treasury risk and the treasury activities of the Council.

4 TREASURY MANAGEMENT STRATEGY STATEMENT AND ANNUAL INVESTMENT STRATEGY

- 4.1 The 2017/18 Treasury Management Strategy Statement and Annual Investment Strategy sets out the expected treasury management activities for Angus Council for the forthcoming financial year and is attached at Appendix A for consideration and approval by Members.

Review of Strategy Document

- 4.2 Although the whole strategy statement has been reviewed, members are asked to note that the core strategy statement is contained in the first 10 pages of Appendix A. The Appendix also contains a number of Annexes which are required for full compliance with the Treasury Management code of practice and as such are necessarily of a technical nature. In the main however, they contain additional information and explanations of aspects of the core strategy document, with the exception of Annex D which contains statutory indicators that require to be considered and approved by members.

Changes to the Strategy Principles

- 4.4 No changes to the underlying principles of the Treasury Strategy are proposed from the position that has been in place throughout 2016/17. With the exception of updates to some information elements, the strategy proposed is the same as that approved for 2016/17.

5 ROLE OF SCRUTINY AND AUDIT COMMITTEE

- 5.1 The guidance supporting the Treasury Management Code of Practice recommends that each Council delegate the role of scrutiny of treasury management strategy and policies to a specific named body or committee. For Angus Council it is the Scrutiny and Audit Committee that undertakes this role. On this basis the Committee is recommended to review and scrutinise the 2017/18 Treasury Management Strategy Statement and provide any commentary considered appropriate at this time.

6 FINANCIAL IMPLICATIONS

- 6.1 There are no direct financial implications arising from the recommendations in this report. An effective Treasury Management Strategy does however form a significant part of the Council's financial arrangements and its financial well being.

7 RISK IMPLICATIONS

- 7.1 This report does not require any specific risk issues to be addressed, however members will be aware that the management of risk is an integral part of the Council's treasury management activities.

NOTE: No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973, were used in the preparation of this report.

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List of Appendices:

Appendix A: 2017/18 Treasury Management Strategy Statement and Annual Investment Strategy