

# Audit, Governance & Standards

Thursday, 7 March 2019

## Committee

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### MINUTES

#### Present:

Councillor John Fisher (Chair), Councillor Mark Shurmer (Vice-Chair) and Councillors Salman Akbar, Joanne Beecham, Michael Chalk, Yvonne Smith, Julian Grubb and Anthony Lovell

#### Also Present:

Richard Percival, (Grant Thornton, external auditors)

#### Officers:

Andy Bromage, Clare Flanagan and Chris Forrester

#### Democratic Services Officer:

F Mughal

### 36. TREASURY MANAGEMENT STRATEGY AND CAPITAL STRATEGY REPORT

The Committee considered the Capital Strategy and the Treasury Management Strategy reports 2019/20 as well as the mid year treasury report. The capital strategy report was a new report for 2019/20 due to the changes made by CIPFA and the Ministry of Housing, Communities and Local Government (MHCLG) to relevant guidance. The strategies were set against the Council's MTFP, UK economy and projected interest rates.

The Financial Services Manger highlighted the key points as follows:

- The Council planned to incur £20m of capital expenditure on investments over the next three years;
- Planned borrowing was forecast to increase significantly in order to support the planned expenditure;
- The Capital Financing Requirement (CFR) for general fund services was forecast to see a significant increase over the next five years due to planned expenditure on capital projects and investments;

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Chair

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- The Financial Services Manager highlighted a number of Key Performance Indicators, measures and controls related to the strategies;
- The half year treasury report highlighted three investments, two with local authorities and one with the Staffordshire Police and Crime Commissioner, which exceeded the £2m limit set in the treasury strategy. Their creditworthiness was viewed in the same light as that of central government, and as such these investments were deemed to be of a similar risk level.

Members were made aware that work would be carried to determine what impact, if any, Brexit might have on planned strategies and pension liabilities.

## **RECOMMENDED that**

- a) the Capital Strategy (Appendix A) as an appropriate overarching strategy for the Council be recommended to Council for approval and the flexible use of capital receipts policy as per appendix E; and**
- b) Council approve the Treasury Management Strategy for 2019/20 (Appendix B) and the associated limits, MRP policy and treasury management policy (appendences C and D) and specific indicators included in this report.**

## **RESOLVED**

**that the half year treasury management report be noted**

The Meeting commenced at 7.00 pm  
and closed at 8.35 pm