

# FAREHAM

## BOROUGH COUNCIL

### Report to the Executive for Decision 04 February 2019

<b>Portfolio:</b>	Policy and Resources
<b>Subject:</b>	Treasury Management Strategy & Capital Strategy 2019/20
<b>Report of:</b>	Director of Finance and Resources
<b>Corporate Priorities:</b>	A dynamic, prudent and progressive Council

**Purpose:**

This report considers the draft Treasury Management Strategy and the new Capital Strategy for 2019/20, prior to its submission to the Council for approval.

**Executive summary:**

Regulations require the Council to prepare and formally approve both an annual Treasury Management Strategy and Capital Strategy. The documents for 2019/20 are attached as Appendix A and B to this report for consideration by the Executive before being submitted to Council for approval.

The main highlights in the Treasury Management Strategy are:

- i) The level of capital expenditure estimated for 2019/20 is £28.8 million. The current estimate is that £16.2 million of this will be met by new borrowing.
- ii) The strategy includes a new investment strategy which covers commercial property investments. The Council has £59 million of investment properties.

The new Capital Strategy gives a high-level overview of how capital expenditure, capital financing, asset management and treasury management activity contribute to the provision of services along with an overview of how associated risk is managed and the implications for future financial sustainability.

**Recommendation:**

It is recommended that the Executive:

- (a) endorses the draft Treasury Management Strategy and Capital Strategy for 2019-20, attached as Appendix A and B to this report; and
- (b) agrees to submit the report to Council for approval.

**Reason:**

In accordance with the Code of Practice for Treasury Management in the Public Services, the Prudential Code and guidance from the Ministry of Housing, Communities and Local Government (MHCLG), the Treasury Management Strategy and Capital Strategy to be approved by full Council.

**Cost of proposals:**

Not applicable

**Appendices:**                   **A:** Treasury Management Strategy and Investment Strategy 2019/20  
  **B:** Capital Strategy 2019/20

**Background papers:** None

**Reference papers:**

Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice for Treasury Management in the Public Services 2017

CIPFA The Prudential Code 2017

Statutory Guidance on Local Government Investments issued under section 15(1)(a) of the Local Government Act 2003 from the Ministry of Housing, Communities and Local Government (MHCLG)

Arlingclose Treasury Management Strategy and Investment Strategy 2019-20 Template