



## BOARD REPORT

### Strategic Board– 27 March 2018

**Report Title:** Treasury Management Strategy

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**Report for:** PCC

**Document reader status:** ~~RESTRICTED / OFFICIAL~~ / PUBLIC

**Mandatory Question:** Is any 'Restricted' information within this report or appendices? **YES / NO**  
If yes, state reason for restriction:

#### 1. Executive Summary

- 1.1 The Treasury Management Strategy has been reviewed and updated, with the Prudential Indicators upon which it is based being updated to incorporate figures included in the Capital Programme commencing in 2018/19. All indicators included in the Treasury Strategy Statement are estimates. The actual indicators for 2017/18 will be reported to this Committee later in the year once the final outturn position is known.
- 1.2 The lending list has been updated based on the latest market conditions and is based on the credit ratings supplied by Capita Asset Services, the Police and Crime Commissioner's (PCC) Treasury Management advisors. There are no changes to how these ratings are used by the PCC.

#### 2. Purpose of report

- 2.1 The Treasury Strategy Statement assists the PCC in meeting the requirements, introduced by the prudential code, for the manner in which capital spending plans are considered and approved and for the development of an integrated treasury management strategy.

### **3. Background/Supporting papers/Implications**

3.1 The Treasury Strategy Statement sets out a formal statement of policy for treasury management for the coming year, in order that staff involved in treasury management activities are clear in relation to the following:

- The PCC's policies on borrowing and investing to be followed during 2018/19.
- The strategy that the PCC intends to adopt in day-to-day treasury management.

In addition the following issues are included for consideration:

- **Prospects for Interest Rates**  
The economic climate in which the PCC will operate during 2017/18; in particular, interest rate levels that will apply to the treasury undertakings are estimated, to assist in formulating a strategy for borrowing and lending.
- **Treasury Limits/Prudential Indicators**  
The impact that statutorily required borrowing limits has upon the treasury activities of the PCC.
- **Capital Finance**  
Borrowing required to finance the capital programme.
- **Short Term Borrowing and Investment Activity**  
The day-to-day management of the PCC's cash resources and the pursuit of optimum cost or return consistent with the effective control of risk

### **4. Contribution to the Police and Crime Plan**

4.1 Successful implementation of the Treasury Management Strategy will make the most efficient use of cash flow resources consistent with the effective control of risk.

### **5. Report for Decision**

5.1 The board is requested to approve the Treasury Management Strategy for 2018/19 in so doing they will note the Prudential Indicators included at Appendix A and approve the lending list at Appendix B.

### **6. Appendices or enclosures**

6.1 Treasury Management Strategy including two appendices