



AUDIT AND GOVERNANCE COMMITTEE	AGENDA ITEM No: 12
26th MAY 2020	PUBLIC REPORT

Treasury Management Strategy Summary

1.0 PURPOSE

- 1.1 This report provides the Audit and Governance Committee with the Financial Strategies adopted by the Combined Authority for the 2020-21 financial year.

<u>DECISION REQUIRED</u>	
Lead Officer:	Jon Alsop, Chief Finance Officer (Section 73 Officer)
<p>The Audit and Governance Committee is recommended to note the following Financial Strategies adopted by the Combined Authority for 2020-21.</p> <ul style="list-style-type: none">• The Capital Strategy 2020/21• The Treasury Management Strategy 2020/21• The Investment Strategy 2020/21• The Minimum Revenue Provision Statement 2020/21	

2. BACKGROUND

- 2.1. According to the Combined Authority's Constitution, the Board is responsible for the adoption of, and any amendment to, the Treasury Management Strategy.
- 2.2. The Audit and Governance Committee's role is to 'ensure there is effective scrutiny of the treasury management strategy and policies in accordance with CIPFA's Code of Practice'
- 2.3. The Combined Authority appointed Arlingclose as its Treasury Advisors with effect from 1 August 2019 to support the Combined Authority in developing strategies that are tailored to the specific requirements, constraints and ambitions of the Combined Authority.
- 2.4. The following strategies have been drafted with the support of Arlingclose for 2020/21 to provide a framework for the Combined Authority's management of its financial affairs, and were approved by the Board in March 2020 for adoption in 2020/21.
 - **Capital Strategy:** To provide a high-level overview for elected members to understand how stewardship, value for money, prudence, sustainability and affordability will be secured.
 - **Treasury Management Strategy:** Being the management of the Authority's cash flows, borrowing and investments and the associated risks.
 - **Investment Strategy:** To meet the requirements of statutory guidance in which the Authority would support local public services by lending to or buying shares in other organisations, or to earn investment income.
 - **Minimum Revenue Provision Statement:** An MHCLG requirement to approve an MRP Statement each year to ensure that capital expenditure is financed over a reasonable period.

3. FINANCIAL IMPLICATIONS

- 3.1. There are no financial implications other than those included in the main body of the report.

4. LEGAL IMPLICATIONS

- 4.1. Treasury Management activities have to conform to the Local Government Act 2003, the Local Authorities (Capital; Finance and Accounting) (England) Regulations 2003 (SI 2003/3146), which specifies that the Authority is required to have regard to the CIPFA Prudential Code and the CIPFA Treasury Management Code of Practice and also the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 (SI 2008/414), which clarifies the requirements of the Minimum Revenue Provision guidance.

5. EQUALITIES IMPLICATIONS

5.1. There are no equalities implications considered necessary to be brought to the attention of the Committee.

6. APPENDICIES

Appendix 1 – Capital Strategy
Appendix 2 – Treasury Management Strategy
Appendix 3 – Investment Strategy
Appendix 4 – MRP Statement

<u>Source Documents</u>	<u>Location</u>
None	n/a