

COUNCIL

Treasury Management Mid-Year Review 2019-20 18 December 2019

Report of the Portfolio Holder for Finance

PURPOSE OF REPORT

This report seeks Council's consideration of various matters in connection with the Treasury Management Mid-Year Review 2019/20 and associated revisions to the Prudential Code indicators which incorporate potential property investment acquisitions up to 31st March 2020.

This report is Public

RECOMMENDATIONS

That Council:

- (1) **Consider the various matters in connection with the Treasury Management Mid-Year Review 2019/20 and associated revisions to the Council's Prudential Indicators.**

1.0 INTRODUCTION

- 1.1 The Mid-Year Review (Appendix A) was presented to Cabinet 03 December 2019 and Budget and Performance Panel 17 December 2019. The report sets out the performance of treasury operations for the first six months of the 2019/20 financial year in terms of long and short term borrowing, investment activities and relevant borrowing limits and prudential indicators. Under CIPFA's Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code) it is a requirement that an information report on these matters be presented to Cabinet and full Council.
- 1.2 The report contains a number of revisions to the Council's Prudential Indicators to reflect Cabinet's agreed and proposed property investment acquisitions up to 31st March 2020. These have been considered by Council as part of agenda item 10.

2.0 PRUDENTIAL INDICATORS

- 2.1 In compliance with the Prudential Framework the Council sets an annual Treasury Management Strategy including key indicators, determined under regulation, to assist Members in assessing the affordability of borrowing and determining that it is prudent and sustainable.

2.2 The tables set out in Annex A of the report incorporate the impact of the changes on the Treasury Management Strategy.

3.0 CONCLUSION

3.1 Council is now asked to consider the Council's Treasury Management performance and the various changes to the Prudential Code Indicators.

RELATIONSHIP TO POLICY FRAMEWORK

A Thriving & Prosperous Economy: Economic Prosperity is a high level Corporate Priority for the City Council; whilst the acquisition of an existing investment does not give an immediate opportunity to generate short term wealth building the medium term control of land and redevelopment does.

Clean Green & Safe Neighbourhoods: As the freeholder of an estate the ability to provide renewable energy sources (solar power), can be delivered as part of the asset management strategy, however this can only be undertaken with the tenants consent or once a lease has determined. We cannot force a tenant to change the terms of their lease.

A Smart & Forward Thinking Council: This is the first investment acquisition by the Council, thus enforcing the ambition to be smart, forward thinking and commercially astute. The Property Investment Strategy is one the four pillars of the Funding the Future Strategy which aims to provide financial stability.

CONCLUSION OF IMPACT ASSESSMENT

(including Health & Safety, Equality & Diversity, Human Rights, Community Safety, HR, Sustainability and Rural Proofing)

There are no immediate implications for consideration.

LEGAL IMPLICATIONS

There are no legal implications stemming from this report.

FINANCIAL IMPLICATIONS

As this report is for consideration and the noting of performance there are no immediate financial considerations arising. Agenda item 10 does provide more information regarding the investment proposals.

OTHER RESOURCE IMPLICATIONS

Human Resources:

None

Information Services:

None

Property:

None

Open Spaces:

None.

SECTION 151 OFFICER'S COMMENTS

The s151 Officer has contributed to the production this report.

MONITORING OFFICER'S COMMENTS

Monitoring Officer has been consulted and has no further comments

BACKGROUND PAPERS

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