



**OFFICE OF THE POLICE & CRIME COMMISSIONER  
FOR THAMES VALLEY COMMITTEE**

**REPORT FOR DECISION: PCC 2017/004**

**Title: Treasury Management Strategy Statement 2017/18**

**Executive Summary:**

This report presents the 2017/18 Treasury Management Strategy Statement for consideration and approval.

The Strategy Statement includes the proposed borrowing and investment strategies, and also sets out the prudential indicators and treasury management activity limits for the period 2017/18 to 2019/20 that provide the Office of the Police and Crime Commissioner's (OPCC) treasury service with an operational performance and control framework within which the relevant functions are undertaken.

The overall strategy is very similar to that adopted by the PCC in the current 2016/17 financial year.

The draft report was considered and endorsed by the Joint Independent Audit Committee at its recent meeting on 15<sup>th</sup> December 2016

**Recommendation:**

The Police and Crime Commissioner is asked to consider and APPROVE the Treasury Management Strategy Statement for 2017/18 incorporating the Minimum Revenue Provision Policy Statement for 2017/18 and the Annual Investment Strategy for 2017/18.

**Police and Crime Commissioner**

I hereby approve the recommendation above.

**Signature**

**Date** 10.2.17.

## **PART 1 – NON-CONFIDENTIAL**

### **1 Introduction and background**

- 1.1 The PCC is required to operate a balanced budget which broadly means that cash income raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the PCC's low risk appetite, providing adequate liquidity initially before considering investment return.
- 1.2 The second main function of the treasury function is the funding of the PCC's capital investment plans. These capital plans provide a guide to the PCC's borrowing need, especially the longer term cash flow planning to ensure that the PCC can meet his capital spending obligations.

### **2 Issues for consideration**

- 2.1 The attached Treasury Management Strategy Statement and supporting documents will enable the PCC to fulfil and discharge the following primary legislative requirements to receive and adopt:
  - a) An over-arching annual **Treasury Management Strategy Statement** which sets out how the treasury service will support the PCC's capital investment decisions, the day to day treasury management and the limitations on activity through treasury prudential indicators.
  - b) A **Borrowing Strategy** which sets out the operational limits to borrowing activity, including the statutory Affordable Borrowing Limit, or '**Authorised Limit**'.
  - c) An **Investment Strategy** which sets out the PCC's criteria for choosing investment counterparties and limiting exposure to the risk of loss.
  - d) A **Minimum Revenue Provision (MRP) Policy Statement** which sets out how the PCC will pay for capital assets through revenue each year.
  - e) Treasury management **Prudential Indicators and Activity Limits**, setting out the operational performance parameters applicable to the PCC's capital finance and treasury management activities.
- 2.2 The above policies and parameters will also provide an approved framework within which officers will undertake and account for the PCC's day-to-day capital and treasury activities.
- 2.3 The Committee needs to be satisfied that the draft Strategy is relevant and appropriate and, following approval in January 2017, will enable the PCC to discharge his statutory obligations in this key policy and financial management area.

### **3 Financial comments**

- 3.1 The attached Treasury Management Strategy Statement is fully consistent with the draft revenue budget for 2017/18, the draft medium term financial plan (2017/18 to 2019/20) and the draft medium term capital plan as presented to the Level 1 public meeting on 28<sup>th</sup> October 2016. Any changes to the draft revenue budget or capital programme will inevitably mean changes to the capital, prudential and treasury management indicators before they are presented to the PCC for formal approval on 24<sup>th</sup> January 2017.
- 3.2 The individual capital prudential indicators and the treasury management activity limits are clearly set out in the Statement, as is the annual borrowing and investment strategy.

### **4 Legal comments**

- 4.1 The PCC is required to approve an annual treasury management and investment strategy. Quarterly monitoring reports will be provided directly to the PCC.

### **5 Equality comments**

- 5.1 No specific implications arising from this report

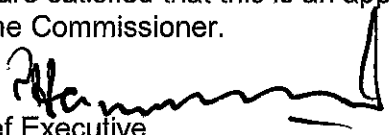

### **6 Background papers**

Capita Asset Services draft Treasury Management Strategy Statement

<p><b>Public access to information</b>  Information in this form is subject to the Freedom of Information Act 2000 (FOIA) and other legislation. Part 1 of this form will be made available on the website within 1 working day of approval. Any facts and advice that should not be automatically available on request should not be included in Part 1 but instead on a separate Part 2 form. Deferment of publication is only applicable where release before that date would compromise the implementation of the decision being approved.</p>
<p><b>Is the publication of this form to be deferred? No</b></p>
<p><b>Is there a Part 2 form? No</b></p>

<b>Name &amp; Role</b>	<b>Officer</b>
<p><b>Head of Unit</b>  This document is consistent with the draft annual revenue budget and draft capital programme. It also meets all the legal requirements set out below</p>	<p>PCC Chief  Finance Officer</p>
<p><b>Legal Advice</b>  This document complies fully with the requirements of the Local Government Act 2003, the CIPFA Prudential Code, CLG Minimum Revenue Provision guidance, the CIPFA Treasury Management Code of Practice and CLG Investment Guidance.</p>	<p>Chief  Executive</p>
<p><b>Financial Advice</b>  The draft Treasury Management Strategy Statement is fully consistent with the draft revenue budget and draft capital programme. Quarterly monitoring reports will be prepared and presented to the PCC</p>	<p>PCC Chief  Finance Officer</p>
<p><b>Equalities &amp; Diversity</b>  No specific implications arising from this report</p>	<p>Chief  Executive</p>

**PCC's STATUTORY OFFICERS' APPROVAL**

<p>We have been consulted about the proposal and confirm that financial and legal advice have been taken into account in the preparation of this report.</p>	
<p>We are satisfied that this is an appropriate request to be submitted to the Police and Crime Commissioner.</p>	
<p>  Chief Executive</p>	<p>Date 12 January 2017</p>
<p>  Chief Finance Officer</p>	<p>Date 12 January 2017</p>