

Wiltshire Council

Full Council

26 November 2019

**Subject: Report on Treasury Management Strategy 2019/2020
Half Year ended 30 September 2019**

**Cabinet Member: Cllr Simon Jacobs, Cabinet Member for Finance and
Procurement**

Key Decision: Non Key

Executive Summary

The Council adopted a Treasury Management Strategy and an Annual Investment Strategy for 2019/2020 at its meeting on 26 February 2019.

In addition to an Annual Report, the Treasury Management Strategy requires a mid-year report reviewing the Treasury Management activities for the current year so far. This report will be considered by Cabinet on 19 November 2019 and the minutes of that meeting will be available [here](#).

The report proposed a recommendation to Full Council to approve revised counter party limits.

Proposals

Council is asked to note:

a) the contents of the Cabinet Report on Treasury Management Strategy 2019/2020 Half Year ended 30 September 2019

Council is asked to approve:

b) revised counter party limits of:

- £10.000 million with HSBC in respect of fixed term investments
- £10.000 million with HSBC in respect of balances held on an overnight basis

Reasons for Proposals

To improve the operational framework within which officers can place both overnight and external investments.

**Alistair Cunningham OBE
Executive Director, Growth, Investment & Place**

Wiltshire Council

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**Cabinet Member: Cllr Simon Jacobs, Cabinet Member for Finance and
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Key Decision: Non Key

Purpose of Report

1. The Council adopted a Treasury Management Strategy for 2019/2020 at its meeting on 26 February 2019, incorporating Prudential Indicators, Treasury Management Indicators and an Annual Investment Strategy, in accordance with the Prudential Code for Capital Finance in Local Authorities (the Prudential Code).
2. The CIPFA (Chartered Institute of Public Finance and Accountancy) Code of Practice for Treasury Management recommends that members be updated on treasury management activities regularly. This report, therefore, ensures Wiltshire Council is implementing best practice in accordance with the Code.

Treasury Management Strategy Statement and Annual Investment Strategy 2019/2020

3. The Treasury Management Strategy Statement (TMSS) 2019/2020, which includes the Annual Investment Strategy, was approved by Full Council on 26 February 2019.
4. Officers can confirm that the approved limits with the Annual Investment Strategy were not breached during the half year ended 30 September 2019.
5. In the light of operational requirements, it is proposed that a separate limit is approved to distinguish between potential fixed term investments and operational balances held with the Council's bank (HSBC). Currently, an overall limit of £10.000 million is in place for all balances held by HSBC. However, this restricts the opportunity to place funds with HSBC for fixed term investments as this limit is regularly utilised, as operationally there is a requirement to hold overnight balances (of up to £10.000 million) for the purposes of liquidity.
6. It is therefore proposed that the following revised limits are approved:
 - £10.000 million with HSBC in respect of fixed term investments
 - £10.000 million with HSBC in respect of balances held on an overnight basis

Overview & Scrutiny Engagement

7. The Financial Planning Task Group considered the Cabinet report on 13 November 2019.

Safeguarding Implications

8. None have been identified as arising directly from this report.

Public Health Implications

9. None have been identified as arising directly from this report.

Procurement Implications

10. None have been identified as arising directly from this report.

Equalities Impact of the Proposal

11. None have been identified as arising directly from this report.

Environmental and Climate Change Considerations

12. None have been identified as arising directly from this report.

Risk Assessment

13. The primary management risks to which the Council is exposed are adverse movements in interest rates and the credit risk of counterparties.
14. Investment counterparty risk is controlled by assessing and monitoring the credit risk of borrowers as authorised by the Annual Investment Strategy.

Financial Implications

15. These have been examined and are implicit throughout the report.

Legal Implications

16. None have been identified as arising directly from this report.

Proposals

17. Council is asked to:
 - a) Note the contents of the Cabinet Report on Treasury Management Strategy 2019/2020 Half Year ended 30 September 2019;
 - b) Approve revised counter party limits of:
 - £10.000 million with HSBC in respect of fixed term investments
 - £10.000 million with HSBC in respect of balances held on an overnight basis

Alistair Cunningham OBE
Executive Director Growth, Investment & Place

Deborah Hindson
Interim Director Finance & Procurement

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14 November 2019

Appendices

Appendix A - Treasury Management Strategy Mid Year (Cabinet Report)