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# Investment and Borrowing Strategy 2019/20

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<b>Committee considering report:</b>	Executive on 14 February 2019 Council on 5 March 2019
<b>Portfolio Member:</b>	Councillor Anthony Chadley
<b>Date Portfolio Member agreed report:</b>	24 January 2019
<b>Report Author:</b>	Shannon Coleman-Slaughter
<b>Forward Plan Ref:</b>	C3613

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## 1. Purpose of the Report

- 1.1 In compliance with The Local Government Act 2003, this report summarises the Council's borrowing limits as set out by CIPFA's Prudential Code, and recommends the Annual Investment and Borrowing Strategy for 2019/20

## 2. Recommendation

- 2.1 In compliance with The Local Government Act 2003, this report summarises the Council's borrowing limits as set out by CIPFA's Prudential Code, and recommends the Annual Investment and Borrowing Strategy for 2019/20.

## 3. Implications

- 3.1 **Financial:** Investment Income and Debt Charges form part of the Council's Medium Term Financial Strategy (MTFS).  
The Council's borrowing limits are proposed to be increased by £5 million in total over the next three years to allow for additional borrowing to fund proposed capital investment in line with the Capital Strategy and Programme.
- 3.2 **Policy:** The Investment and Borrowing Strategy is closely related to the Capital Strategy, as it governs the criteria for borrowing to fund capital spending.  
This strategy is also closely linked to the Council's Property Investment Strategy. The Property Investment Strategy which operates different criteria for investment from those proposed in this report, which relate only to cash investments. However the borrowing strategy set out in this report also applies to borrowing which may be undertaken to fund investment in property.
- 3.3 **Personnel:** None
- 3.4 **Legal:** The Investment and Borrowing Strategy for the new financial year is in accordance with the Local Government Act 2003 and CIPFA's Prudential Code and Code of Practice for Treasury Management

3.5     **Risk Management:**     The policy is intended to ensure that all borrowing and investment is undertaken with a view to minimising risk and exposure to financial loss.

3.6     **Property:**                 None

3.7     **Other:**                   None

#### 4.     **Other options considered**

4.1     Not applicable

## Executive Summary

### 5. Introduction / Background

- 5.1 This report sets out the framework within which the Treasury Management Team will conduct the Council's investments and borrowing for the forthcoming financial year. It recommends prudential limits for investments in 2019/20 and borrowing limits for the next three years. It also provides a forecast of the Council's long term borrowing requirements.

### 6. Proposals

- 6.1 The report recommends prudential limits for exposure to borrowing at fixed and variable rates of interest, the maturity structure of borrowing and the types and minimum credit ratings for institutions with which the Council will invest its funds.
- 6.2 No increase is required in the Council's maximum borrowing limit in 2019/20, because the amount now expected to be borrowed in 2018/19 is lower than was expected when the 2018/19 borrowing limits were set. However it is proposed to increase the borrowing limit for 2020/21 by £3 million, to allow for planned new borrowing of £10 million to fund capital expenditure less £7 million scheduled debt repayments. The borrowing limit for 2021/22 is also proposed to be increased by a further £2 million to allow for £9 million to fund capital expenditure less £7 million scheduled debt repayments.

### 7. Conclusion

- 7.1 The strategy sets the underlying principles by which the Council's annual investment and borrowing activity will be managed for the 2019/20 financial year. The implementation of this strategy will be reviewed during the coming financial year by the Treasury Management Group of officers and members.
- 7.2 A report on the actual performance of the Treasury Team in managing the Council's loans and investments for the whole of 2018/19 will be brought to Executive after the end of this financial year.

### 8. Appendices

- 8.1 Appendix A – Data Protection Impact Assessment
- 8.2 Appendix B – Equalities Impact Assessment
- 8.3 Appendix C – Detailed Investment & Borrowing Strategy 2019/20

## Appendix A

### Data Protection Impact Assessment – Stage One

The General Data Protection Regulations require a Data Protection Impact Assessment (DPIA) for certain projects that have a significant impact on the rights of data subjects.

Should you require additional guidance in completing this assessment, please refer to the Information Management Officer via [dp@westberks.gov.uk](mailto:dp@westberks.gov.uk)

Directorate:	Resources
Service:	Finance & Property
Team:	Accountancy
Lead Officer:	Andy walker
Title of Project/System:	Not applicable
Date of Assessment:	21.1.19

**Do you need to do a Data Protection Impact Assessment (DPIA)?**

	Yes	No
<b>Will you be processing SENSITIVE or “special category” personal data?</b>  Note – sensitive personal data is described as “data revealing racial or ethnic origin, political opinions, religious or philosophical beliefs, or trade union membership, and the processing of genetic data, biometric data for the purpose of uniquely identifying a natural person, data concerning health or data concerning a natural person’s sex life or sexual orientation”	<input type="checkbox"/>	<b>X</b>
<b>Will you be processing data on a large scale?</b>  Note – Large scale might apply to the number of individuals affected OR the volume of data you are processing OR both	<input type="checkbox"/>	<b>X</b>
<b>Will your project or system have a “social media” dimension?</b>  Note – will it have an interactive element which allows users to communicate directly with one another?	<input type="checkbox"/>	<b>X</b>
<b>Will any decisions be automated?</b>  Note – does your system or process involve circumstances where an individual’s input is “scored” or assessed without intervention/review/checking by a human being? Will there be any “profiling” of data subjects?	<input type="checkbox"/>	<b>X</b>
<b>Will your project/system involve CCTV or monitoring of an area accessible to the public?</b>	<input type="checkbox"/>	<b>X</b>
<b>Will you be using the data you collect to match or cross-reference against another existing set of data?</b>	<input type="checkbox"/>	<b>X</b>
<b>Will you be using any novel, or technologically advanced systems or processes?</b>  Note – this could include biometrics, “internet of things” connectivity or anything that is currently not widely utilised	<input type="checkbox"/>	<b>X</b>

**If you answer “Yes” to any of the above, you will probably need to complete [Data Protection Impact Assessment - Stage Two](#). If you are unsure, please consult with the Information Management Officer before proceeding.**

## Appendix B

### Equality Impact Assessment - Stage One

We need to ensure that our strategies, policies, functions and services, current and proposed have given due regard to equality and diversity as set out in the Public Sector Equality Duty (Section 149 of the Equality Act), which states:

- “(1) A public authority must, in the exercise of its functions, have due regard to the need to:**
- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;**
  - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; this includes the need to:**
    - (i) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;**
    - (ii) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;**
  - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it, with due regard, in particular, to the need to be aware that compliance with the duties in this section may involve treating some persons more favourably than others.**
- (2) The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.**
- (3) Compliance with the duties in this section may involve treating some persons more favourably than others.”**

The following list of questions may help to establish whether the decision is relevant to equality:

- Does the decision affect service users, employees or the wider community?
- (The relevance of a decision to equality depends not just on the number of those affected but on the significance of the impact on them)
- Is it likely to affect people with particular protected characteristics differently?
- Is it a major policy, or a major change to an existing policy, significantly affecting how functions are delivered?
- Will the decision have a significant impact on how other organisations operate in terms of equality?
- Does the decision relate to functions that engagement has identified as being important to people with particular protected characteristics?
- Does the decision relate to an area with known inequalities?
- Does the decision relate to any equality objectives that have been set by the council?

Please complete the following questions to determine whether a full Stage Two, Equality Impact Assessment is required.

<b>What is the proposed decision that you are asking the Executive to make:</b>	Approve the Investment & Borrowing Strategy for 2019/20.
<b>Summary of relevant legislation:</b>	Referred to in report
<b>Does the proposed decision conflict with any of the Council's key strategy priorities?</b>	No
<b>Name of assessor:</b>	Shannon Coleman-Slaughter
<b>Date of assessment:</b>	21.1.19

<b>Is this a:</b>		<b>Is this:</b>	
<b>Policy</b>	<b>No</b>	<b>New or proposed</b>	<b>No</b>
<b>Strategy</b>	<b>Yes</b>	<b>Already exists and is being reviewed</b>	<b>Yes</b>
<b>Function</b>	<b>No</b>	<b>Is changing</b>	<b>Yes</b>
<b>Service</b>	<b>No</b>		

<b>1 What are the main aims, objectives and intended outcomes of the proposed decision and who is likely to benefit from it?</b>	
<b>Aims:</b>	To set policies and parameters for investment and borrowing carried out by the council
<b>Objectives:</b>	To maximise returns on investments while minimising risk and ensuring availability of sufficient funds a day to day basis to support the Council's business; to ensure that borrowing undertaken by the Council is affordable, controlled and for appropriate purposes.
<b>Outcomes:</b>	Income earned to support the Council's revenue budget; Council cash balances protected; sufficient funds are available for the Council's day to day activities and for investment in capital assets.
<b>Benefits:</b>	Effective treasury management supports the achievement of all the Council's service objectives

<p><b>2 Note which groups may be affected by the proposed decision. Consider how they may be affected, whether it is positively or negatively and what sources of information have been used to determine this.</b></p> <p>(Please demonstrate consideration of all strands – Age, Disability, Gender Reassignment, Marriage and Civil Partnership, Pregnancy and Maternity, Race, Religion or Belief, Sex and Sexual Orientation.)</p>
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Group Affected	What might be the effect?	Information to support this		
Age	No service users are directly affected by this strategy			
Disability				
Gender Reassignment				
Marriage and Civil Partnership				
Pregnancy and Maternity				
Race				
Religion or Belief				
Sex				
Sexual Orientation				
<b>Further Comments relating to the item:</b>				

<b>3 Result</b>	
<b>Are there any aspects of the proposed decision, including how it is delivered or accessed, that could contribute to inequality?</b>	<b>No</b>
<b>Please provide an explanation for your answer:</b> No service directly affected.	
<b>Will the proposed decision have an adverse impact upon the lives of people, including employees and service users?</b>	<b>No</b>
<b>Please provide an explanation for your answer:</b> No service directly affected	

If your answers to question 2 have identified potential adverse impacts and you have answered 'yes' to either of the sections at question 3, or you are unsure about the impact, then you should carry out a Stage Two Equality Impact Assessment.

If a Stage Two Equality Impact Assessment is required, before proceeding you should discuss the scope of the Assessment with service managers in your area. You will also need to refer to the [Equality Impact Assessment guidance and Stage Two template](#).

<b>4 Identify next steps as appropriate:</b>	
<b>Stage Two required</b>	No
<b>Owner of Stage Two assessment:</b>	
<b>Timescale for Stage Two assessment:</b>	



Name: Shannon Coleman-Slaughter

Date: 21.1.19

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Please now forward this completed form to Rachel Craggs, Principal Policy Officer (Equality and Diversity) ([rachel.craggs@westberks.gov.uk](mailto:rachel.craggs@westberks.gov.uk)), for publication on the WBC website.