

Treasury Management Policy & Strategy 2023/24

For Cabinet on 9 February 2023

Summary

Lead Member: Councillor Christopher Hall (Cabinet Member for Finance & Performance)

Lead Director: Lee Colyer, Director of Finance, Policy & Development

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Classification: Public document (non-exempt)

Wards Affected: All

Approval Timetable	Date
Management Board	11 January 2023
Cabinet Member	
Finance & Governance Cabinet Advisory Board	24 January 2023
Management Board	9 February 2023
Full Council	1 March 2023

Recommendations

Officer / Committee recommendations as supported by the Portfolio Holder:

1. That the Treasury Management Policy and Strategy 2023/24, as set out in Appendix A to the report, be adopted.

1. Introduction and Background

- 1.1 This report presents the Treasury Management Policy and Strategy 2023/24 and recommends that Cabinet proposes that it is adopted by Full Council.
- 1.2 The Treasury Management Policy and Strategy forms part of the Council's financial management arrangements, ensuring a framework for decisions is in place to help maintain the Council's financial position, and support the Council in delivering its priorities.
- 1.3 The Prudential Indicators and Treasury Indicators included within this strategy help monitor the Council's position throughout the year.

2. Treasury Management Policy & Strategy 2023/24

- 2.1 The Chartered Institute for Public Finance and Accountancy (CIPFA) published updated Treasury Management and Prudential Codes in December 2021. Local authorities are expected to fully implement the Codes within their reporting from 2023/24.
- 2.2 One of the key changes in the 2021 Codes is the explicitly stated requirement 'that an authority must not borrow to invest primarily for financial return'.
- 2.3 The Treasury Management Code 2021 confirms a requirement to prepare a Treasury Management Policy and Strategy setting out the Council's policies for managing investments and borrowing, providing the following:
 - the capital plans (including prudential indicators)
 - a minimum revenue provision (MRP) policy showing how capital expenditure is charged to revenue over time
 - the Treasury Management Strategy showing how the investments and borrowings are to be organised including treasury indicators
 - an Annual Investment Strategy showing the parameters on how investments are to be managed
- 2.4 CIPFA defines treasury management as 'the management of the local authority's borrowing, investments and cash flows, its banking, money market and capital market transactions, the effective control of the risks associated with those activities, and the pursuit of optimum performance consistent with those risks'.

- 2.5 The suggested Treasury Management Policy and Strategy 2023/24 is presented in **Appendix A** to this report.

3. Options Considered

- 3.1 The Council must prepare a Treasury Management Policy and Strategy for approval by Cabinet and Full Council.

4. Preferred Option and Reason

- 4.1 To agree and approve the content of the Treasury Management Policy and Strategy 2023/24.

5. Consultation on Options

- 5.1 The Council takes advice from Link Treasury Services on treasury management activities including investments, borrowing and capital financing.

Recommendation from Cabinet Advisory Board

- 5.2 The Finance & Governance Cabinet Advisory Board were consulted on 24 January 2023 and agreed that the recommendation set out in the report be supported.

6. Implementation

- 6.1 Once the adoption of the Treasury Management Policy and Strategy has been approved by Full Council it will be put into place commencing 1 April 2023.

7. Appendices and Background Documents

Appendices:

- Appendix A: Treasury Management Policy & Strategy 2023/24

Background Papers:

- None

8. Cross Cutting Issues

A. Legal (including the Human Rights Act)

Under Section 151 of the Local Government Act 1972 (LGA 1972) the Section 151 Officer has statutory duties in relation to the financial administration and stewardship of the authority, including securing effective arrangements for treasury management.

Claudette Valmond, Head of Legal Partnership

B. Finance and Other Resources

The net investment interest is an important source of income for the Council's revenue budget.

Jane Fineman, Head of Finance, Procurement & Parking

C. Staffing

No implications to staffing.

Jane Fineman, Head of Finance, Procurement & Parking

D. Risk Management

The Treasury Management Policy and Strategy sets out how the Council aims to control the risks associated with treasury management. The security of the Council's investments is the top priority when making investments and is always considered before yield. ensure that the unaudited outturn net revenue remains within the Council's Medium Term Financial Strategy.

Jane Fineman, Head of Finance, Procurement & Parking

E. Environment and Sustainability

There are no specific implications that arise from the process of Treasury Management over the fact that the budget supports the Council's priorities.

Jane Fineman, Head of Finance, Procurement & Parking

F. Community Safety

There are no specific implications that arise from the process of Treasury Management over the fact that the budget supports the Council's priorities.

Jane Fineman, Head of Finance, Procurement & Parking

G. Equalities

There are no specific implications that arise from the process of Treasury Management over the fact that the budget supports the Council's priorities.

Jane Fineman, Head of Finance, Procurement & Parking

H. Data Protection

There are no specific implications that arise from the process of Treasury Management over the fact that the budget supports the Council's priorities.

Jane Fineman, Head of Finance, Procurement & Parking

I. Health and Safety

There are no specific implications that arise from the process of Treasury Management over the fact that the budget supports the Council's priorities.

Jane Fineman, Head of Finance, Procurement & Parking

J. Health and Wellbeing

There are no specific implications that arise from the process of Treasury Management over the fact that the budget supports the Council's priorities.

Jane Fineman, Head of Finance, Procurement & Parking