

Title: Treasury Management Policy for 2024/25

Meeting: Cabinet

Date: 13 February 2024

Classification: Part 1

Key Decision: No

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Executive Councillor: Councillor Cox, Leader (Cabinet Member for Special Educational Needs & Disability)

1. Executive Summary

1.1. To consider the following Treasury Management documents before recommending them to Council for approval:

- Treasury Management Policy Statement for 2024/25.
- Treasury Management Strategy for 2024/25.
- Annual Treasury Management Investment Strategy for 2024/25.

2. Recommendation

That the Cabinet recommend to Council that it approve:

- 2.1. **The Treasury Management Policy Statement 2024/25 (Appendix 1).**
- 2.2. **The Treasury Management Strategy 2024/25 (Appendix 2).**
- 2.3. **The Annual Treasury Management Investment Strategy 2024/25 (Appendix 3).**

3. Background

3.1. In compliance with the CIPFA (Chartered Institute of Public Finance and Accountancy) Treasury Management Code of Practice the Council's Treasury Management Policy comprises the following:

- Treasury Management Policy Statement;
- Treasury Management Strategy;
- Annual Treasury Management Investment Strategy

and these are reviewed annually for approval by Council before the start of each financial year.

3.2. The purpose of the Treasury Management Policy Statement is to set out the scope of the Treasury Management function, the policy on borrowing, debt restructure, investments, delegation and management of risk. The Treasury Management Policy Statement for 2024/25 is attached as **Appendix 1**.

3.3. The purpose of the Treasury Management Strategy is to set out how the budgeted financing costs can be achieved. It covers the prospects for interest rates and the strategy on borrowing and debt restructuring. The Treasury Management Strategy for 2024/25 is attached as **Appendix 2**.

3.4. The purpose of the Annual Treasury Management Investment Strategy is to set out the investment objectives and the policies on the use of external fund managers, on the investment of in-house managed funds and on the use of approved counterparties. The Annual Treasury Management Investment Strategy for 2024/25 is attached as **Appendix 3**.

3.5. Appendices 1, 2 and 3 together form the Treasury Management Policy and are then used by officers on a daily basis for the effective running of the treasury management function.

3.6. In response to the on-going economic, regulatory and financial market conditions, and in consultation with our treasury management advisers, the treasury management policy has been updated for the 2024/25 financial year. The changes from the revised 2023/24 policy are shown in **Appendix 4**.

3.7. The policy and strategy documents are written in order to provide officers and advisers with clear boundaries within which to work but as a result they are written using technical language. Treasury management training has been offered to all councillors to aid understanding of the issues and further courses will be available in the future. This training is particularly important for members of the Audit Committee as that committee is responsible for the scrutiny of the Treasury Management Policy.

4. Reasons for Decisions

4.1. The recommendations are to comply with the CIPFA Treasury Management Code of Practice.

5. Other Options

- 5.1 There are many options available for the operation of the Treasury Management function, with varying degrees of risk associated with them. The Treasury Management Policy aims to effectively control risk to within a prudent level, whilst providing optimum performance consistent with that level of risk.

6. Financial Implications

- 6.1 The financial implications of the proposed capital investment programme will be considered in the Budget Proposals report elsewhere on this agenda. Other financial implications are dealt with throughout this report.

7. Legal Implications

- 7.1 Compliance with the relevant regulations and codes of practice has been considered throughout this report.

8. Carbon Impact

- 8.1 Subject to the Treasury Management Investment Objectives being satisfactorily met, consideration will be given to environmental factors for the funds and financial institutions being invested in.

9. Equalities

- 9.1 None arising from this report.

10. Consultation

- 10.1 The key treasury management decisions are taken in consultation with our treasury management advisers.
- 10.2 Appendices 1 to 4 were presented to the Audit Committee on 10 January 2024 for scrutiny.

Audit Committee asked questions relating to the following areas:

- The considerations for the use of external contributions under Section 106 agreements.
- Clarification of the change in limits on external borrowing between 2023/24 and 2024/25.
- The reporting of the performance of the Treasury Management activities.
- Consideration of the appropriateness of a limit on the investment of monies into Joint Ventures or Development Companies.

Full responses were provided at the meeting with no further follow-up requested.

Audit Committee requested the following changes to the Treasury Management Policy documents:

- Annex 1 to Appendix 1 to include the activity of undertaking appropriate due diligence to consider the appropriateness of the counterparty regarding borrowing from or placing any deposit with other Local Authorities.
- Annex A to Appendix 3 to be updated regarding Other Local Authorities – the method of placement to be directly or through a broker.
- The section in Appendix 3 regarding the limit on deposits with other Local Authorities: to also include a limit per individual Local Authority.

The relevant appendices have been updated and these items have also been noted in Appendix 4.

11. Background Papers

11.1 CIPFA (Chartered Institute of Public Finance and Accountancy) Treasury Management Code of Practice

12. Appendices

12.1 Appendix 1 – Treasury Management Policy Statement 2024/25

12.2 Appendix 2 – Treasury Management Strategy 2024/25

12.3 Appendix 3 – Annual Treasury Management Investment Strategy 2024/25

12.4 Appendix 4 – Changes from the revised 2023/24 Treasury Management Policy

Report Authorisation

This report has been approved for publication by:

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	Name:	Date:
S151 Officer	Joe Chesterton	02/02/2024
Monitoring Officer	Kim Sawyer	02/02/2024
Executive Director(s)	Joe Chesterton	02/02/2024
Relevant Cabinet Member(s)	Councillor Cox	30/01/2024