

**Title:** Treasury Management Policy for 2025/26

**Meeting:** Cabinet

**Date:** 11 February 2025

**Classification:** Part 1

**Key Decision:** No

**Report Authors:** Caroline Fozzard, Head of Corporate Finance

**Executive Councillor:** Councillor Collins - Cabinet Member for Finance, Assets and Investments

## 1. Executive Summary

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

- Treasury Management Policy Statement for 2025/26.
- Treasury Management Strategy for 2025/26.
- Annual Treasury Management Investment Strategy for 2025/26.

## 2. Recommendation

**That the Cabinet recommend to Council that it approve:**

- 2.1. **The Treasury Management Policy Statement 2025/26 (Appendix 1).**
- 2.2. **The Treasury Management Strategy 2025/26 (Appendix 2).**
- 2.3. **The Annual Treasury Management Investment Strategy 2025/26 (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 2025/26 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 2025/26 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 2025/26 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 2025/26 financial year. The changes from the revised 2024/25 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 27 January 2025 for scrutiny.

Audit Committee asked questions relating to the following areas:

- The use and role of the treasury management adviser.
- Confirmation that responsibility for treasury management decisions remains with the authority at all times.
- The segregation of duties in place regarding the approval and placement of monies into investments.

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

As a result of these questions the following changes have been made to the Treasury Management Policy documents:

- The name of the Council’s treasury management adviser has been added into paragraph 4.1 of Appendix 1.
- Paragraph 7.2 of Appendix 1 has been updated to make it clear that if the issue of bonds was being considered, appropriate and extensive due diligence would need to be undertaken.

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

Appendix 1 – Treasury Management Policy Statement 2025/26

Appendix 2 – Treasury Management Strategy 2025/26

Appendix 3 – Annual Treasury Management Investment Strategy 2025/26

Appendix 4 – Changes from the 2024/25 Treasury Management Policy

## Report Authorisation

This report has been approved for publication by:

<b>This report has been approved for publication by:</b>		
	<b>Name:</b>	<b>Date:</b>
S151 Officer	Joe Chesterton	03/02/2025
Deputy Monitoring Officer	Jayne Middleton	03/02/2025
Executive Director(s)	Joe Chesterton	03/02/2025
Relevant Cabinet Member(s)	Councillor Collins	28/01/2025