

Treasury Management Strategy Statement 2023/24: Mid-Year Review



Report to:	Cabinet
Date:	15 January 2024
Portfolio Holder:	Councillor James Leppard, Portfolio Holder for Finance and Governance
Lead Officer:	Simon Freeman, Deputy Chief Executive and Director of Finance (01279) 446228
Contributing Officer:	Jacqueline Van Mellaerts, Assistant Director Finance (01279) 446251
Key Decision:	Yes
Forward Plan:	Forward Plan number I015979
Call In:	This item is not subject to call in procedures because it stands as a recommendation to Full Council
Corporate Priority:	Improve council services
Wards Affected:	None specifically

Recommended that:

- A** The Mid-Year Review of the Treasury Management Strategy, as set out in Appendix A to the report, be noted and referred to Full Council for consideration.

Reason for decision

- A** Compliance with the CIPFA Treasury Management Code of Practice requires that Council is presented with a mid-year report on the Treasury Management Strategy Statement (TMSS).

Other Options

- A** This is a mid-year review of performance against the approved strategy. There are no other options other than to not present the report which would then result in non-compliance with the code of practice.

Background

1. Treasury Management is defined as “The management of the local authority’s 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. The Council operates within the framework of CIPFA’s ‘Prudential Code for Capital Finance in Local Authorities’ (Prudential Code), the ‘Treasury Management Code of Practice’ and the Department for Levelling up, Housing & Communities Investment Guidance.
3. The primary requirements of the code are as follows:
 - a) Creation and maintenance of a Treasury Management Policy Statement;
 - b) Creation and maintenance of the Treasury Management Practices (TMPs);
 - c) Receipt by the council of an annual Treasury Management Strategy (TMS), including Annual Investment Strategy and Minimum Revenue Provision Policy for the year ahead, a Mid-Year Review of the Treasury Management Strategy and an Annual Report (stewardship report);
 - d) Delegation by the council of responsibilities for implementing and monitoring treasury management policies and practices for the execution and administration of treasury management decisions;
 - e) Delegation by the council of the role of scrutiny of the treasury management strategy and policies to a specified names body. For this council the current TMS specifies that responsibility for the delegated scrutiny role is delegated to the Cabinet
4. As part of the primary requirements for reporting to Full Council, the mid-year review of the TMS has been prepared in compliance with CIPFA’s Code of Practice and is set out in Appendix A to the report. Economic commentary has been provided by the council’s Treasury Management Advisors, Arlingclose Ltd.
5. On an on-going basis, officers continue to work within the scope of the TMS in order to contain counterparty risk as far as practically possible. Treasury management activities

operate under a high-profile reporting mechanism, and any significant issues that may arise through the year are reported in accordance with protocols set out in the TMS.

Issues/Proposals

6. On an on-going basis, officers continue to work within the scope of the TMS in order to contain counterparty risk as far as practically possible. Treasury management activities operate under a high-profile reporting mechanism, and any significant issues that may arise through the year are reported in accordance with protocols set out in the TMS.
7. The details contained within the mid-year review within Appendix A highlight that the council has operated within the approved constraints of its approved Treasury Management Strategy during the first half of the 2023/24 financial year.

Implications

Equalities and Diversity

Impact decision tree has been implemented and no assessment was required.

Climate Change

This report bears no impact on Climate Change.

Finance

As contained in the report.

Author: Simon Freeman, Deputy Chief Executive and Director of Finance

Governance and Corporate Services

The Council's approach to risk for its financial resilience is 'moderate'. The review sets out how the Council controls and mitigates its exposure using external assistance. The requirement to report within the CIPFA Treasury Management Code of Practice twice annually provides Cabinet with governance controls and gives assurance that the Council manages its approach appropriately. These in turn mitigate any impact on Council's ability to meet statutory responsibilities and community aspirations in respect of its services.

Author: Simon Hill, Director of Governance and Corporate Services

Appendices

Appendix A – Treasury Management Strategy Statement – Mid-Year Review

Background Papers

Treasury Management Strategy 2023/24

Glossary of terms/abbreviations used

CIPFA – Chartered Institute of Public Finance and Accountancy

TMPs – Treasury Management Practices

TMS – Treasury Management Strategy

TMSS – Treasury Management Strategy Statement