



<b>Report of:</b>	<b>Meeting</b>	<b>Date</b>
Councillor Lesley McKay, Resources Portfolio Holder and Clare James, Corporate Director Resources (and S.151 Officer)	Council	7 March 2024

**Treasury Management Policy and Annual Investment Strategy, Minimum Revenue Provision Policy Statement and Capital Strategy 2024/25**

**1. Purpose of report**

- 1.1 Confirmation of the Treasury Management Policy and Annual Investment Strategy, Minimum Revenue Provision (MRP) Policy Statement and Capital Strategy 2024/25.

**2. Outcomes**

- 2.1 A well run, forward-thinking council that puts customers first.

**3. Recommendation**

- 3.1 To approve the Treasury Management Policy and Annual Investment Strategy, Treasury Management Practices, MRP Policy Statement, Prudential Indicators and Capital Strategy for 2024/25 as considered by Cabinet at their meeting 14 February 2024.

**4. Background**

- 4.1 A review of the Treasury Management Policy Statement, Treasury Management Practices, Strategy, MRP Policy Statement and Capital Strategy is undertaken each year and reported to Cabinet prior to the end of March.
- 4.2 However, in order to comply with the CIPFA Code of Practice for Treasury Management, the full Council is formally required to approve the Treasury Management Policy and Annual Investment Strategy, the MRP Policy Statement and the Capital Strategy for the forthcoming financial year. The report has been prepared in accordance with the Revised CIPFA Treasury Management Code 2021.

- 4.3** Under the updated Prudential Code 2021, CIPFA continues to require councils to publish a Capital Strategy (see Appendix 5). Guidance on the form and content of the Capital Strategy was published in 2021 with the emphasis shifting to a whole organisation approach and as such the current strategy represents an evolving document. This approach is in line with CIPFA's expectations and the understanding that all councils will be working towards developing their own strategies over time to meet local needs.
- 4.4** The Capital Strategy is designed to demonstrate that the council takes capital expenditure and investment decisions in line with service objectives and properly takes account of stewardship, value for money (VFM), prudence, sustainability and affordability. The strategy is intended to set out the long-term context in which capital expenditure and investment decisions are made and gives due consideration to both risk and reward and the achievement of priority outcomes. Long-term is not defined and beyond the current Medium Term Financial Planning period, there is little detail or certainty within the current strategy, particularly taking into account the current funding reform context. As greater clarity is achieved nationally, it is expected that further iterations of the strategy will become more detailed and longer-term.
- 4.5** Owing to the interrelatedness of the Treasury Management framework and the Capital Strategy, there is a good deal of overlap between the two documents and potential for duplication. Efforts have been made to streamline the Capital Strategy and cross-reference to existing Treasury Management documents where possible in order to reduce repetition.
- 4.6** All Members were offered Treasury Management Training from Link Asset Services in February 2022. Following the May elections in 2023, training will be provided to the new intake later this year.

## **5. Key issues and proposals**

- 5.1** The Treasury Management Policy Statement, Practices and Annual Investment Strategy, MRP Policy Statement and Capital Strategy are attached in Appendices 1 to 5.
- 5.2** The Local Government Act 2003 requires the Council to have regard to the Prudential Code and to set Prudential Indicators for the next three years. The 2024/25 Prudential Indicators were considered by Cabinet at the meeting on 14 February 2024 and are included in the appendices for approval.
- 5.3** The key objective of the Prudential Code is to ensure, within a clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable. In exceptional cases, its purpose may be to demonstrate that there is a danger of not ensuring this, so that the authority concerned can take remedial action.

**5.4** In order to demonstrate compliance with the CIPFA Code of Practice for Treasury Management, the Council must approve a Policy Statement, Treasury Management Practices, a Treasury Management and Investment Strategy, an MRP Policy Statement and a Capital Strategy setting out how the council will seek to achieve its Treasury Management policies, together with details of how these activities are managed and controlled.

**5.5** It is also a requirement of the Code of Practice that the full Council agrees the Treasury Management and Annual Investment Strategy, the MRP Policy Statement and the Capital Strategy for the forthcoming financial year. The 2024/25 Strategies and MRP Policy Statement are attached at Appendix 3, 4 and 5.

**6. Alternative options considered and rejected**

**6.1** The report complies with best practice and have been produced in accordance with advice and guidance from our Treasury Management Consultants. Further detail can be found in the appendices.

<b>Financial, legal and climate change implications</b>	
Finance	The financial implications arising from the adoption of the Treasury Management Policy and practices, the Treasury Management and Annual Investment Strategy, the MRP Policy Statement and the Capital Strategy have been reflected in the Revenue Estimates which were agreed by Cabinet at their meeting 14 February 2024.
Legal	The approval of the recommendation will ensure that the Prudential Code and the CIPFA Code of Practice on Treasury Management have been complied with.
Climate change	None arising directly from this report.

**Other risks/implications: checklist**

If there are significant implications arising from this report on any issues marked with a ✓ below, the report author will have consulted with the appropriate specialist officers on those implications and addressed them in the body of the report. There are no significant implications arising directly from this report, for those issues marked with a x.

<b>risks/implications</b>	<b>✓ / x</b>
community safety	x
equality and diversity	x
health and safety	x

<b>risks/implications</b>	<b>✓ / x</b>
asset management	x
ICT	x
data protection	x

**Processing Personal Data**

In addition to considering data protection along with the other risks/ implications, the report author will need to decide if a 'privacy impact assessment (PIA)' is also required. If the decision(s) recommended in this report will result in the collection and processing of personal data for the first time (i.e. purchase of a new system, a new working arrangement with a third party) a PIA will need to have been completed and signed off by Data Protection Officer before the decision is taken in compliance with the Data Protection Act 2018.

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<b>List of background papers:</b>		
name of document	date	where available for inspection
Treasury Management Policy Statement and Practices, Treasury Management and Annual Investment Strategy, Minimum Revenue Provision Policy Statement and Capital Strategy 2024/25	14/02/2024	<a href="#">Agenda for Cabinet on Wednesday, 14th February, 2024, 6.00 pm (modern.gov.co.uk)</a>

### **List of appendices**

Appendix 1 - Treasury Management Policy Statement 2024/25

Appendix 2 - Treasury Management Practices 2024/25

Appendix 3 - Treasury Management Strategy and Annual Investment Strategy 2024/25

Appendix 4 - Minimum Revenue Provision Policy Statement 2024/25

Appendix 5 - Capital Strategy 2024/25