

STRATEGY & RESOURCES SCRUTINY COMMITTEE

15 January 2024

5:30-7:25pm

Present: Robertson (Chair), Baigent, Bennett, Bick, Gawthrop Wood, Holloway, Sheil and Young.

RECOMMENDATION TO COUNCIL (EXECUTIVE COUNCILLOR FOR FINANCE & RESOURCES COUNCILLOR S. SMITH)

ANNUAL TREASURY MANAGEMENT STRATEGY STATEMENT REPORT 2024/25 TO 2027/28

The Council is required to receive and approve, as a minimum, three main treasury management reports each year.

The first and most important is the Treasury Management Strategy (this report), which covers:

- capital plans (including prudential indicators);
- a Minimum Revenue Provision policy which explains how unfinanced capital expenditure will be charged to revenue over time;
- the Treasury Management Strategy (how investments and borrowings are to be organised) including treasury indicators; and
- a Treasury Management Investment Strategy (the parameters on how investments are to be managed).

A mid-year treasury management report is produced to update Members on the progress of the capital position, amending prudential indicators as necessary, and advising if any policies require revision

The Outturn or Annual Report compares actual performance to the estimates in the Strategy.

The statutory framework for the prudential system under which local government operates is set out in the Local Government Act 2003 and Capital Financing and Accounting Statutory Instruments. The framework incorporates four statutory codes. These are:

- the Prudential Code (2021 edition) prepared by CIPFA;
- the Treasury Management Code (2021 edition) prepared by CIPFA;
- the Statutory Guidance on Local Government Investments prepared by the Department for Levelling Up, Housing and Communities (DLUHC) (effective 1 April 2018); and

- the Statutory Guidance on Minimum Revenue Provision prepared by DLUHC (effective 1 April 2019).

The Council's S151 Officer has considered the deliverability, affordability and risk associated with the Council's capital expenditure plans and treasury management activities. The plans are affordable. Where there are risks such as the slippage of capital expenditure, or reductions in investment values or income, these have been reviewed and mitigated at an acceptable level. The Council has access to specialist advice where appropriate.

Treasury Management Reports are required to be adequately scrutinised before being recommended to the Council. This role is undertaken by the Strategy and Resources Scrutiny Committee.

Accordingly, Council is recommended to:

- i. Approve this report, including the estimated Prudential and Treasury Indicators for 2024/25 to 2027/28 (inclusive) as set out in Appendix C of the officer's report.