

**Report for:** Overview & Scrutiny Committee 19 January 2023

**Title:** Draft Treasury Management Strategy Statement 2023/24

**Report authorised by:** Toyin Bamidele, Assistant Director of Finance (Deputy S151 Officer)

**Lead Officer:** Tim Mpofu, Head of Pensions & Treasury  
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**Ward(s) affected:** N/A

**Report for Key/  
Non Key Decision:** Non Key decision

**1. Describe the issue under consideration**

1.1 To present the draft Treasury Management Strategy Statement for 2023/24 to this Committee for scrutiny before it is presented to Corporate Committee and then Full Council for final approval.

**2. Cabinet Member Introduction**

2.1 Not applicable.

**3. Recommendations**

3.1 The Overview and Scrutiny Committee is requested to scrutinise and provide any comments on the proposed updated Treasury Management Strategy Statement for 2023/24 prior to its presentation to Corporate Committee and full Council for approval.

**4. Reasons for decision**

4.1 The CIPFA Treasury Management Code of Practice requires all local authorities to agree a Treasury Management Strategy Statement including an Investment Strategy annually in advance of the new financial year.

**5. Alternative Options Considered**

5.1 None

**6. Background information**

6.1. The CIPFA Treasury Management Code of Practice requires that the Treasury Management Strategy Statement is formulated by the Committee responsible for the monitoring of treasury management activities, is then subject to scrutiny before being approved by Full Council. In Haringey, the Corporate Committee is responsible for formulating the Treasury Management Strategy Statement for recommendation to Full Council through Overview and Scrutiny Committee. Any comments made by Overview and Scrutiny will be reported to Corporate Committee. Training

will be provided in advance of the meeting by Arlingclose, the Council's Treasury advisor.

6.2. The key updates to the proposed strategy being considered are summarised below:

- The Treasury Management Strategy Statement sets out a five-year position throughout the report, which better aligns with the Council's medium term financial strategy and budget report in section 3 of the report.
- For the purpose of setting the budget, it has been assumed that new treasury investments will be made at an average rate of 2.50%, and that new long-term loans will be borrowed at an average rate of 4.50%.
- The Council's borrowing strategy is set out in section 4 of the report. The Council's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required.
- The Council's treasury investment strategy is set out in section 5 of the report. The CIPFA Code requires the Council to invest its treasury funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.
- The Council's treasury management prudential indicators are set out in section 7 of the report. This section outlines how the Council plans to measure and manage its exposures to treasury management risks including credit risk, liquidity risk and refinancing risk.
- Annex A to the draft Treasury Management Strategy Statement includes an economic and interest forecast from the Council's treasury management advisors, Arlingclose.

## **7. Contributions to Strategic Outcomes**

7.1 The treasury strategy will impact the achievement of the Council's budget.

## **8. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)**

### Finance and Procurement

8.1 The approval of a Treasury Management Strategy Statement is a requirement of the CIPFA Treasury Management Code of Practice and CIPFA Prudential Code.

8.2 Financial Comments are contained throughout the treasury management strategy statement.

### Legal

- 8.3 The Head of Legal and Governance (Monitoring Officer) has been consulted on the content of this report. The Council must make arrangements for the proper administration of its financial affairs and its power of borrowing is set out in legislation.
- 8.4 The Council is required to determine and keep under review its borrowing and in complying with this requirement it must have regard to the code of practice entitled the “Prudential Code for Capital Finance in Local Authorities” as published by CIPFA from time to time.
- 8.5 As mentioned in this report the CIPFA Treasury Management Code of Practice requires the Council to agree a Treasury Management Strategy Statement (TMSS) (including an Investment Strategy). In considering the report Members must take into account the expert financial advice available and any further oral advice given at the meeting of the Committee.

#### Equalities

- 8.6 There are no equalities issues arising from this report.

### **9. Use of Appendices**

- 9.1 Appendix 1 – Draft Treasury Management Strategy Statement 2023/24.

### **10. Local Government (Access to Information) Act 1985**

- 10.1 Not applicable.