

## **REPORT OF THE CORPORATE COMMITTEE No. 2, 2022/23**

### **FULL COUNCIL 2<sup>nd</sup> of March 2023**

Chair: Councillor Isidoros Diakides

Deputy Chair: Cllr Erdal Dogan

#### **1. INTRODUCTION**

The Council has adopted the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice (the CIPFA Code), which requires the Council to agree a Treasury Management Strategy Statement, including an Investment Strategy annually in advance of the new financial year.

This report presents Council with the updated Treasury Management Strategy Statement for 2023/24 following its scrutiny at the Overview and Scrutiny Committee, presentation at the Corporate Committee and in consultation with the Cabinet Member for Finance.

#### **TREASURY MANAGEMENT STRATEGY STATEMENT 2023-24**

We considered the Treasury Management Strategy Statement for 2023-24 which outlined the Council's strategy for managing its cash flows, borrowing, investments, and the associated risks in accordance with the CIPFA Treasury Management Code of Practice.

We noted that the report had been reviewed by the Overview and Scrutiny Committee on 19 January 2023 with questions only seeking clarification.

We were informed that the document was set by statutory requirements as to what should be included in a treasury strategy statement and that it was usually included as part of the budget process. The capital strategy document set out how schemes were costed. The capital programme decisions did not form the treasury strategy. The treasury strategy looked at the agreed capital programme (this involved aspects such as building housing arounds around the borough, rebuilding schools or refurbishment work). This was then appraised and then costed for in the capital strategy document. The document looked at how the element of borrowing was exercised by the Council. The draft budget (medium term financial strategy) would be agreed by Cabinet.

We noted that the prudential indicators on section 7 of the appendix and parameters on how risks would be managed. We noted the Council had loans on its portfolio which was maturing on a regular basis and were becoming due to be repaid. However, all of the borrowing could not be done at a rate whereby all loans were paid back at the same time. We also noted that the target limit of short-term borrowing would set to a rate of 30%.

We queried issues with borrowing and noted that the funding of projects needed to be carefully considered by the Section 151 Officer in consultation with relevant Cabinet Members.

## **5. RECOMMENDATIONS**

Full Council is recommended:

To agree the proposed updated Treasury Management Strategy Statement for 2023-24 as attached to agenda item 13, 2023-24 Budget and Medium-Term Financial Strategy 2023/28 at Annex 4.