

Agenda Item

REPORT OF Deputy Section 151 Officer
To: Full Council
Subject: Treasury Management Report & Capital Strategy
Date: 20 February 2023 **Reference:**

PURPOSE OF REPORT:

To consider the Treasury Management Strategy, Prudential Indicators and Minimum Revenue Provision Policy for 2023/24.

1. INTRODUCTION

The Code of Practice on Treasury Management requires an annual report on Treasury Management Strategy to be prepared for the forthcoming financial year. In addition, guidance issued under the Local Government Act 2003 recommends that an Annual Investment Strategy be adopted by Full Council together with the Prudential Indicators and the policy on Minimum Revenue Provision (MRP).

The Code of Practice on Treasury Management also requires that a “Capital Strategy” is approved by Full Council for the forthcoming financial year.

2. REPORT

The report for 2023/24 covers:

- The Treasury Management and Investment Strategy, which sets out the approach to managing the cash movements during the year (Appendix 1).
- The list of current counterparties (Appendix 2).
- The Prudential Indicators, which show the impact on the Council’s financial position of the capital programme (Appendix 3).
- The MRP policy, which sets out how much will need to be set aside from the revenue budget to repay prudential borrowing (Appendix 4).
- The Capital Strategy, which is a long term strategic policy, linking asset management plans and strategic goals. (Appendix 5)
- Review of banking limits (Appendix 6)

3. IMPLICATIONS

Legal Implications

Guidance from the Secretary of State recommends that the Treasury Management and Investment Strategy is approved by full Council

Financial Implications

The financial implications are included within the revenue budget medium term financial strategy.



Human Resources Implications

There are no implications.

Sustainability Implications

There are no implications.

Equality/Diversity

There are no implications.

Risk Management

The Treasury Management and Investment Strategy define the risk that the Council is willing to accept.

Compliance with Policies and Strategies

These are part of the report.

Ward Member and Leader Member Views

Date of Consultation – Cllr. Hodson – 9 February 2023 "Torridge District Council has fulfilled it's obligations in accordance with Treasury Management Code of Practice. The Prudential Indicators show the impact on the Council's financial position. The Indicators provide reassurance that the impact of approved capital programme is prudent in Treasury Management terms."

4. CONCLUSIONS

The Strategy and Policy are being updated to reflect the capital programme and financial strategy that the authority has previously agreed.

5. RECOMMENDATIONS

That Council approves:-

- The Treasury Management and Investment Strategy and Counterparty List, Prudential Indicators and Minimum Revenue Provision Policy.
- The Capital Strategy.
- The changes to banking limits as set out in appendix 6
 - Maintain counterparty limit of £18m (for our bankers Lloyds)
 - Reduce treasury deposit limit to £5m for our bankers Lloyds only.
 - Increase our bank account limit to £13m

SUPPORTING INFORMATION

Consultations:	Date of Consultation – 9 February 2023 Officers Consulted – Chief Executive Finance Manager and S151 Officer Head of Legal and Governance (& Monitoring Officer) Head of Communities & Place
Contact Officer:	Peter Hudson – Senior Capital Accountant & Deputy S151 Officer



Background Papers: Prudential Indicator calculations

