



Committee	Full Council
Date	21/02/2024
Subject	Treasury Management Strategy Statement for 2024/25 & Treasury Management Investment Strategy for 2024/25
Cabinet Member	Councillor Vince Langdon-Morris Cabinet Member with responsibility for Resources and Value for Money
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Director	Chris Bally Chief Executive chris.bally@eastsoffolk.gov.uk

Key Decision?	No
Is the report Open or Exempt?	OPEN

Category of Exempt Information and reason why it is NOT in the public interest to disclose the exempt information.	N/A
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Purpose/Summary

This report sets out the Council's Treasury Management Strategy for 2024/25 and the Treasury Management Investment Strategy for 2024/25 and covers:

- the current treasury position.
- treasury indicators which limit the treasury risk and activities of the Council.
- prospects for interest rates.
- the borrowing strategy; and
- the investment strategy

Recommendation(s)

That Full Council:

1. Approves the Treasury Management Strategy for 2024/25 and the Treasury Management Investment Strategy for 2024/25.
2. Notes the 2022/23 Outturn report at Appendix C and the 2023/24 Mid Year report at Appendix D.

Strategic plan

How does this proposal support Our Direction 2028?

Environmental Impact	The Council has committed to delivering positive climate, nature and environmental impacts through the decisions we make and the actions we take. Ensuring the Councils cashflows are invested securely to support the Councils overall budget position in turn enable the commitment, ensuring where possible that environment and energy efficient processes, materials and equipment are used in the Councils spending plans.
Sustainable Housing	Ensuring the Councils cashflows are invested securely to support the commitments of both the General Fund and Housing Revenue Account specifically the commitment to sustainable housing.
Tackling Inequalities	Ensuring the Councils cashflows are sufficient to support the Councils budget position which provides a regeneration programme, enabling business and charities providing direct services to residents of East Suffolk to locate in Council owned assets.
Thriving Economy	Ensuring the Councils cashflows are sufficient to support the Councils budget position providing economic development and regeneration activity and in turn enabling residents of East Suffolk to benefit from and contribute to a thriving economy. Specifically, the Council is committed to delivering the Towns Fund Deal project including the regeneration of the Towns Seafront.
Our Foundations / governance of the organisation	At the heart of the Treasury strategies is good financial management and governance which underpins the Councils

	spending commitments within the Councils Medium Term Financial Strategy (MTFS).
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Justification for recommendations

1. Background

1.1. The CIPFA Prudential code requires a Treasury Management Strategy & Treasury Management Investment Strategy report to be produced and presented to the Audit & Governance Committee and Full Council in advance of the coming financial year.

2. Introduction

2.1. Treasury management is the management of the Council's cash flows, borrowing and investments, and the associated risks. The Council has both an investment and borrowing portfolio and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of financial risk are therefore central to the Council's prudent financial management.

2.2. Treasury risk management at the Council is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2021 Edition (the CIPFA Code) which requires the Council to approve a treasury management strategy before the start of each financial year. This report fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code.

3. Proposal

3.1. The Treasury Management Strategy & Treasury Management Investment Strategy for 2024/25 set out in Appendix A and B covers:

- the current treasury position.
- treasury indicators which limit the treasury risk and activities of the Council.
- prospects for interest rates.
- the borrowing strategy; and
- the investment strategy.

3.2. To comply with the CIPFA Treasury Management Code the report is required to be produced and presented to members.

3.3. As a backdrop to the Councils forward position on Treasury Management the Councils Audit & Governance Committee has during this financial year received and reviewed the Treasury Management 2022/23 Outturn report at its meeting on the 10th July 2024 and the Treasury Management 2023/24 Mid-Year report at its meeting on the 11th September 2024. These reports provide detail on how the treasury function has performed in the previous financial year along with a half yearly update on the current financial year. These reports can be found in Appendix C and D.

4. Financial Implications

4.1. The Strategy compiles the management of the Council's capital budget plans and the impact on the council's cash flow transactions which in turn feeds directly into the Councils Medium Term Financial Strategy (MTFS).

5. **Legal Implications**
5.1. There are no legal implications for this report.
6. **Risk Implications**
6.1. Non-compliance with the Chartered Institute of Public Finance and Accountancy (CIPFA's) Prudential Code.
7. **Options**
7.1. To comply with the CIPFA Prudential code the report is required to be produced and presented to members, and consequently, no other options have been considered.
8. **Recommendations**
8.1. That Full Council approves the Treasury Management Strategy Statement for 2024/25 & Treasury Management Investment Strategy for 2024/25.
8.2. That Full Council notes the 2022/23 Outturn report at Appendix C and the 2023/24 Mid-Year report at Appendix D.
9. **Reasons for Recommendations**
9.1. Approval of the Treasury Management Strategy Statement for 2024/25 & Treasury Management Investment Strategy for 2024/25 by Full Council is a requirement under the CIPFA Prudential Code.
10. **Conclusions/Next Steps**
10.1 Full Council approves the Treasury Management Strategy Statement for 2024/25 & Treasury Management Investment Strategy for 2024/25.

Areas of consideration comments

Section 151 Officer comments:

The report complies with the required CIPFA prudential code ensuring that the Treasury Management Strategy of the Council is presented to Full Council prior to the start of the coming financial year. Audit & Governance Committee was given the opportunity to scrutinise the report at its meeting on 8 January 2024.

Monitoring Officer comments:

This report complies with the Council's Constitution which requires the review and monitoring of the Council's Treasury Management policies and practices by the Council's Audit and Governance Committee with any recommendations being presented to Full Council. The report was reviewed by the Audit and Governance Committee on 8 January 2024.

Equality, Diversity and Inclusion/EQIA:

There are no direct implications arising from this report.

Safeguarding:

There are no direct implications arising from this report.

Crime and Disorder:

There are no direct implications arising from this report.

Corporate Services implications:

There are no direct implications arising from this report.

Residents and Businesses consultation/consideration:

There are no direct implications arising from this report.

Appendices:

Appendix A	Treasury Management Strategy Statement 2024/25
Appendix B	Treasury Management Investment Strategy Statement 2024/25
Appendix C	Treasury Management 2022/23 Outturn and Quarter 1 report
Appendix D	Treasury Management 2023/24 Mid-Year report

Background reference papers:

Date	Type	Available From
08/02/2024	Capital Programme 2023/24 to 2027/25 report to Cabinet	Democratic Services
08/01/2024	Treasury Management Strategy Statement & Treasury Management Investment Strategy Statement 2024/25 Report to the Audit & Governance Committee	Democratic Services