

FAREHAM

BOROUGH COUNCIL

2022/23
Decision No.
2409

Record of Decision by Executive

Monday, 6 February 2023

Portfolio	Policy & Resources
Subject:	Treasury Management Strategy 2023/24
Report of:	Deputy Chief Executive Officer
Corporate Priority:	Dynamic, prudent and progressive Council

Purpose:

This report considers the draft treasury Management Strategy and Investment Strategy for 2023/24, prior to its submission to the Council for approval.

Regulations require the Council to prepare and formally approve both an annual Treasury Management Strategy and Investment Strategy. The document for 2023/24 is attached as Appendix A to this report for consideration by the Executive before being submitted to Council for approval.

A new prudential indicator, the liability benchmark, has been added to reflect the requirements of the revised Treasury Management Code of Practice and the Prudential Code issued in 2021. This new prudential indicator in paragraph 48, shows the lowest risk level of borrowing for the Council.

In the past 12 months, the Council's investment balance has ranged between £21 million and £38 million, lower levels are expected in the forthcoming year due to capital programme expenditure. The Council expects to be a long-term borrower and new treasury investments will therefore be made primarily to manage day to day cash flows using short-term low risk instruments. The existing portfolio of strategic pooled funds will be maintained to diversify risk into different sectors and boost investment income.

Borrowing levels are expected to be £52.2million at the end of 2023/24 to fund the capital programme. The Council has previously raised all of its long-term borrowing from the Public Works Loan Board (PWLB) but will consider long-term loans from other sources. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield.

Options Considered:

As recommendation.

Decision:

RESOLVED that the Executive:

- (a) endorses the draft Treasury Management and Investment Strategy for 2023/24, attached as Appendix A to this report; and
- (b) agrees to submit the report to Council for approval.

Reason:

In accordance with the Code of Practice for Treasury Management in the Public Services and guidance from the Ministry for Housing Communities and Local Government (MHCLG), the Treasury Management Strategy and Investment Strategy have to be approved by full Council.

Confirmed as a true record:

Councillor SDT Woodward (Executive Leader)

Monday, 6 February 2023