

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 05 February 2024

Portfolio:	Policy and Resources
Subject:	Treasury Management Strategy 2024/25
Report of:	Chief Executive Officer
Corporate Priorities:	Responsive, Inclusive and Innovative Council

Purpose:

This report considers the draft Treasury Management Strategy and Investment Strategy for 2024/25, prior to its submission to the Council for approval.

Executive summary:

Regulations require the Council to prepare and formally approve both an annual Treasury Management Strategy and Investment Strategy. The document for 2024/25 is attached as Appendix A to this report for consideration by the Executive before being submitted to Council for approval.

In the past 12 months, the Council's **investment** balance has ranged between £18 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 £74.3 million at the end of 2024/25. 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.

Recommendation:

It is recommended that the Executive:

- (a) endorses the draft Treasury Management Strategy and Investment Strategy for 2024/25, attached as Appendix A to this report; and
- (b) agrees to submit the Strategy 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.

Cost of proposals:

Not applicable

Appendices: **A:** Treasury Management Strategy and Investment Strategy 2024/25

Background papers: None

Reference papers:

Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice for Treasury Management in the Public Services 2021

CIPFA The Prudential Code 2021

Statutory Guidance on Local Government Investments issued under section 15(1)(a) of the Local Government Act 2003 from the Ministry of Housing, Communities and Local Government (MHCLG)

Template for Treasury Management Strategy and Investment Strategy 2024/25 provided by Arlingclose (the Council's Treasury Advisers)

Enquiries:

For further information on this report please contact Caroline Hancock (01329 824589)