

# FAREHAM

## BOROUGH COUNCIL

### Report to Audit and Governance Committee

**Date:** 11 March 2024

**Report of:** Chief Executive Officer

**Subject:** TREASURY MANAGEMENT STRATEGY

#### SUMMARY

Regulations require the Council to prepare and formally approve an annual Treasury Management Strategy. The document for 2024/25, attached as Appendix A, was endorsed by the Executive on 5 February 2024 and submitted to Full Council for approval on 23 February 2024.

Areas of note are:

- 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 (paragraph 7).
- 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 (paragraph 16).
- Borrowing levels are expected to be £74.3 million at the end of 2024/25 (paragraph 32).
- 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 (paragraph 40)
- The economic and interest rate forecast by the Council's treasury advisors has been updated as at January 2024 (paragraph 58 and Annex 1).

## **RECOMMENDATION**

It is RECOMMENDED that the Audit and Governance Committee note the Treasury Management Strategy and Prudential Indicators for 2024/25, attached as Appendix A to this report.

**Appendices: Appendix 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 current Treasury Advisers)

**Enquiries:**

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