

# **Recommendations of the Performance and Audit Scrutiny Committee: 27 January 2022 - Financial Resilience - Strategy Statement 2022 to 2023 and Treasury Management Code of Practice**

<b>Report number:</b>	<b>CAB/WS/22/006</b>	
<b>Report to and dates:</b>	<b>Cabinet</b>	8 February 2022
	<b>Council</b>	22 February 2022
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**Decisions Plan:** **The decision made as a result of this report will usually be published within 48 hours. This item will be referred to Council for a final decision and is, therefore, not subject to call-in. This item is included on the Decisions Plan.**

**Wards impacted:** All wards

**Recommendations:** It is recommended that, subject to the approval of Council:

- 1. The Treasury Management Strategy Statement 2022 to 2023 as set out in Appendix 1 to Report number: FRS/WS/22/002, be approved; and**
  
- 2. The Treasury Management Code of Practice, as set out in Appendix 2 to Report number: FRS/WS/22/002, be approved, subject to an amendment within the section of the Code of Practice entitled '*Use of External Brokers / Advisors / Fund Managers*', with the removal of the word '*will*', to be replaced with the word '*may*', to ensure that the Council has the flexibility on the use of services of other organisations.**

## 1. Context to this report

### 1.1 **Financial Resilience - Strategy Statement 2022 to 2023 and Treasury Management Code of Practice**

The Chartered Institute of Public Finance and Accountancy's (CIPFA) Treasury Management Code of Practice requires that, prior to the start of the financial year that Council formally approves a Treasury Management Policy Statement and Investment Strategy, setting out the Council's treasury management policy and strategy for the forthcoming year.

1.2 The Treasury Management Strategy Statement 2022 to 2023 was attached as Appendix 1 to Report number: FRS/WS/22/002 and the Treasury Management Code of Practice attached as Appendix 2. The Sub-Committee was advised that no significant changes had been made to the Treasury Management Code of Practice from that presented last year.

1.3 The report also included additional supporting information on treasury advisors; borrowing strategy; investment strategy counterparty ratings and interest rate projections.

1.4 The Financial Resilience Sub-Committee scrutinised the report on 17 January 2022 and asked questions to which responses were provided. In particular, discussions were held on the borrowing strategy and authorised limits, and the value of the Mildenhall Hub.

1.5 The Performance and Audit Scrutiny Committee considered the report and asked various questions relating to the setting of net costs, capital and revenue limits and the borrowing strategy, to which responses were provided. In particular, the Committee discussed the Treasury Management Code of Practice (Appendix 2) and referred to page 24 of the Code and the section which related to '**Use of External Brokers/Advisors/Fund Managers**'. The Committee expressed some reservations around the wording used within that section, in that the Council 'will' employ the services of other organisations to assist it in the field of treasury management. The Committee recommended that this word be replaced with 'may', so that the Council had the flexibility around the use of services of other organisations.

1.6 The Performance and Audit Scrutiny Committee has put forward a recommendation as set out on page two of this report.

## 2. Alternative options that have been considered

2.1 Not applicable.

**3. Consultation and engagement undertaken**

3.1 Not applicable.

**4. Risks associated with the proposals**

4.1 Not applicable.

**5. Implications arising from the proposals**

5.1 Financial: See Report number: [FRS/WS/22/002](#)

**6. Appendices referenced in this report**

6.1 [Appendix 1](#) - Treasury Management Strategy Statement 2022 to 2023

[Appendix 2](#) - Treasury Management Code of Practice

**7. Background documents associated with this report**

7.1 Report number: [FRS/WS/22/002](#)