

NORTH LINCOLNSHIRE COUNCIL

COUNCIL

TREASURY MANAGEMENT STRATEGY 2023/24

1. OBJECT AND KEY POINTS IN THIS REPORT

- 1.1 To approve the Treasury Management Policy Statement
- 1.2 To seek approval of the Council's Treasury Management Strategy 2023/24.
- 1.3 To adopt the Prudential Code 2021, the CIPFA Treasury Management in Public Services Code of Practice and related DLUHC Guidance.
- 1.4 To approve the proposed Prudential Indicators 23/26
- 1.5 To approve the policy on the Minimum Revenue Provision
- 1.6 To approve the Investment Counterparties and Limits
- 1.7 To approve the Maturity Structure of Borrowing Limits

2. BACKGROUND INFORMATION

- 2.1 The proposed Treasury management Strategy Statement (TMSS) for 2023/24 is attached at Appendix 2. The Strategy has been developed in consultation with our treasury management advisors, Link Asset Services Ltd. This statement also incorporates the Investment Strategy.
- 2.2 Whilst the Council has appointed advisors to support effective treasury management arrangements, the Council is ultimately responsible for its treasury decisions and activity. No treasury activity is without risk. The successful identification, monitoring and control of risk is therefore an important and integral element of treasury management activities.

3. OPTIONS FOR CONSIDERATION

3.1 The options for consideration are detailed in the Strategy at Appendix 2

4. ANALYSIS OF OPTIONS

4.1 The options are analysed in the Strategy at Appendix 2.

5. FINANCIAL AND OTHER RESOURCE IMPLICATIONS (e.g. LEGAL, HR, PROPERTY, IT, COMMUNICATIONS etc.)

5.1 None, other than the those set out in the report and appendices.

6. OTHER RELEVANT IMPLICATIONS (e.g. CRIME AND DISORDER, EQUALITIES, COUNCIL PLAN, ENVIRONMENTAL, RISK etc.)

6.1 Not applicable

7. OUTCOMES OF INTEGRATED IMPACT ASSESSMENT (IF APPLICABLE)

7.1 Not applicable

8. OUTCOMES OF CONSULTATION AND CONFLICTS OF INTERESTS DECLARED

8.1 The Treasury Management Strategy has been presented to Governance Scrutiny and considered by the Audit Committee.

8.2 No conflicts of interest have been declared.

9. RECOMMENDATIONS

9.1 Council is requested to:

- i. Approve the Treasury Management Policy Statement (Appendix 1)
- ii. Approve the Treasury Management Policy and Treasury Management and Investment Strategy for 2023/24 (Appendix 2)
- iii. Adopt the Prudential Code 2017, the CIPFA Treasury Management in Public Services Code of Practice and related DLUHC Guidance.
- iv. Approve the prudential indicators for 2023/26 set out in the Strategy (Appendix 2)
- v. Approve the revised policy on the Minimum Revenue Provision set out in the Strategy (Appendix 2)

- vi. Approve the Counterparty List contained in the Strategy (Appendix 2)
- vii. Approve the Maturity Structure of Borrowing Limits contained in the Strategy (Appendix 2)

DIRECTOR OF GOVERNANCE AND COMMUNITIES

Church Square House

SCUNTHORPE

North Lincolnshire

DN15 6NL

Author: Tracy Elliott/Mark Kitching

Date: 31st January 2023

Background Papers used in the preparation of this report –

- Local Government Act 2003
- CIPFA Treasury Management in Public Services Code of Practice (2021 Edition)
- CIPFA Code of Practice 2022-23
- CIPFA The Prudential Code for Capital Finance in Local Authorities (2021 Edition)

APPENDIX 1

The Treasury Management Policy Statement

1. The Council defines its treasury management activities as:

The management of the Council's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

2. The Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the Council, and any financial instruments entered into to manage these risks.
3. This Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.
4. The Council's high level policies for borrowing, borrowing in advance and investments.
 - The Council's borrowing will be affordable, sustainable and prudent and consideration will be given to the management of interest rate risk and refinancing risk. The source from which the borrowing is taken and the type of borrowing should allow the Council transparency and control over its debt.
 - This organisation will only borrow in advance of need where there is a clear business case for doing so and will only do so for the current capital programme or to finance future debt maturities.
 - The Council's primary objective in relation to investments remains the security of capital. The liquidity or accessibility of the Council's investments followed by the yield earned on investments remain important but are secondary considerations.