
Meeting: Audit & Governance Committee
Subject: Treasury Management Strategy 2023/24
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Meeting Date: Friday 17 February 2023

1. Purpose of the Report:

- 1.1 Under section 21 of the Local Government Act 2003, Local Authorities (including TfN) are required to have regard to the CIPFA Code of Practice - Treasury Management in the Public Services 2017 edition and to adopt a Treasury Management Strategy (TMS). The parameters within which this strategy is developed are informed by operational practicalities and statutory obligations.
- 1.2 This report provides an overview of changes and updates to TfN's Treasury Management Strategy for the year ahead. The TfN TMS is attached to this report as Appendix 1.

2. Recommendations:

- 2.1 To note and comment upon TfN's Treasury Management Strategy for 2023/24.

3. Main Changes:

- 3.1 Given the changes to TfN's level of funding and the nature of the activity that TfN is engaged in, TfN has undertaken a number of non-substantive changes in order to simplify the TMS.
- 3.2 The simplifications reflect two main factors, firstly that TfN has no current plans to engage in any capital expenditure and secondly that TfN is operating with lower cash balances reflecting a reduced funding allocation since the removal of the NPR programme from TfN's direct remit.
- 3.3 Modifications have been undertaken in a manner which maintains the structure of the TMS, whilst simplifying some of the content, where no longer deemed relevant. However, this leaves scope for the TMS to be recalibrated should TfN's activity evolve again in the future.
- 3.4 The two main changes are:
1. Simplification of the Capital Prudential Indicators reflecting the fact that TfN is not engaged in any capital expenditure and that TfN's statutory position prevents it from raising credit.
 2. The removal of appendices analysing the wider economic environment.
- 3.5 TfN's investment policy remains unchanged, with its approach to investment decisions made with due regard to the following hierarchy of considerations:
- a) Security of the investment partner (creditworthiness)
 - b) Liquidity of the investment (accessibility)
 - c) Yield of the investment (financial return)
- 3.6 TfN will continue to engage with its Treasury Advisor – Link Treasury Services. The Treasury Advisor will assist TfN in maintaining market intelligence and ensuring that the cash-management strategy remains appropriate throughout the year.

4 Corporate Considerations:

This report is formed from considerations around cash management risk and proposes a Treasury Management Strategy for adoption.

4.1 *Financial Implications*

The financial implications have been considered and are included in the report.

4.2 *Resource Implications*

There are no resource implications within this report.

4.3 *Legal Implications*

Legal implications are addressed within the report.

4.4 *Risk Management and Key Issues*

There are no material risks to be considered within this report.

4.5 *Environmental Implications*

A full impact assessment has not been carried out because it is not considered necessary for this report.

4.6 *Equality and Diversity*

A full impact assessment has not been carried out because it is not considered necessary for this report.

4.7 *Consultations*

A consultation has not been carried out because it is not considered necessary for this report.

5 Background Papers

5.1 None

6 Appendices

6.1 Treasury Management Strategy and Appendices