



Wednesday, 21 January 2026

Report of Councillor Ashley Baxter
Leader of the Council,
Cabinet Member for Finance, HR and
Economic Development

Treasury Management Strategy Statement 2026/27

Report Author

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Purpose of Report

The report presents a draft Treasury Management Strategy Statement as required each Financial Year under the Local Government Act 2003.

Recommendations

Governance and Audit Committee is asked to:

- **review the Treasury Management Strategy Statement 2026/27**
- **make a recommendation that Full Council approves the Treasury Management Strategy Statement 2026/27.**

Decision Information

Does the report contain any exempt or confidential information not for publication? No

What are the relevant corporate priorities? Effective council

Which wards are impacted? All wards

1. Implications

Taking into consideration implications relating to finance and procurement, legal and governance, risk and mitigation, health and safety, diversity and inclusion, safeguarding, staffing, community safety, mental health and wellbeing and the impact on the Council's declaration of a climate change emergency, the following implications have been identified:

Finance

- 1.1 All financial implications are considered throughout the report and the Treasury Management Strategy Statement which is appended to the report.

Completed by: Richard Wyles Deputy Chief Executive and Section 151 Officer.

Legal and Governance

- 1.2 This report provides details of the Council's Treasury Management Strategy Statement which forms part of the Budget and Policy Framework. Members should scrutinise any elements which will assist the role of the Governance and Audit Committee in its review of the Treasury Management Strategy.

Completed by: James Welbourn, Democratic Services Manager

Risk and Mitigation

- 1.3 Risk has been considered as part of this report. The Treasury Management Strategy Statement has been compiled in conjunction with the treasury advisors and is monitored by the Committee on a regular basis.

Completed by: Tracey Elliott, Governance & Risk Officer

2. Background to the Report

- 2.1 Treasury Management is the term used to cover the Council's borrowing and investment strategies. The Council has formally adopted the key recommendations of the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management. In line with the Code, the Council is required to produce an annual Treasury Management Strategy Statement (TMSS).
- 2.2 The TMSS details the investment and borrowing policies that the Council will follow during 2026/27. The CIPFA code and the Ministry of Housing, Communities and Local Government (MHCLG) statutory guidance also requires the Council to have a policy on non-treasury investments. These will be included in the Capital Strategy which will be considered by Council as part of the annual budget process on 26 February 2026.

- 2.3 The TMSS sets out the counterparties with whom the Council will invest and the limits that can be invested with each. These limits are detailed in Appendix 3 of Appendix A as part of the Treasury Management Practices (TMPs). **There are no proposed changes to the current limits or specified counterparty investment categories.**
- 2.4 The Treasury Management Code requires all investments and investment income to be attributed to one of the following purposes:
 - **Treasury Management** - This type of investment represents balances which are only held until the cash is required.
 - **Service Delivery** – Investments held primarily and directly for the delivery of public services including housing, regeneration and local infrastructure. Returns on this category of investment, which are funded by borrowing, are permitted only in cases where the income is *“either related to the financial viability of the project or otherwise incidental to the primary purpose”*.
 - **Commercial return** – Investments held primarily for financial return with no treasury management or direct service provision purpose. Risks on such investments should be proportionate to the Council’s financial capacity, i.e., that ‘plausible losses’ could be absorbed in budgets or reserves without unmanageable detriment to local services. The Council **must not** borrow to invest primarily for financial return.

Governance and Audit Committee is required to receive quarterly treasury management monitoring reports for review and approval.

Appendix 3 of the TMSS explains the Council’s Ethical Investment Statement which has been reviewed to ensure: it meets the requirements of the Treasury Management Code; and does not prevent the Council from adhering to the Treasury Management principles of **Security, Liquidity and Yield**.

As part of ongoing monitoring, the TMPs are reviewed and updated during the year to reflect operational changes. These are undertaken by senior finance officers to reflect current working practices with the exception of those TMPs which are formally included within the annual TMMS and require member approval.

3. Key Considerations

- 3.1 These are considered throughout the report and at Appendix A.

4. Other Options Considered

- 4.1 There are no other options because the Council has a legal obligation to produce a TMMS.

5. Reasons for the Recommendations

- 5.1 The Council has a legal obligation to produce a TMMS.

6. Appendices

- 6.1 Appendix A – 2026/27 Treasury Management Strategy Statement (TMMS)