

# Treasury Management Strategy 2023/24

## Variation against 2022/23

### Section 1 – Introduction

There have been no Changes

### Section 2 – External Context

This is specific to the current year

### Section 3 – Local Context

3.1 The level of borrowing and investment has changed as below:

	2021/22 Strategy 29 January 2021 £m	2022/23 Strategy 31 January 2022 £m
Borrowing	204.1	186.7
Investments	75.5	26.5

*Table 1* – the figures in the 2023/24 strategy show the current forecast for CFR, External Borrowing and new investments or new borrowing.

There is a forecast reduction in the CFR figure for year ended 31 March 2024 which translates to a forecast investment, which has changed from the borrowing for this year that was in the 2022/23 strategy.

There is also a reduction forecast in 2025 which results in a substantial reduction in the level of new borrowing forecast for the year ended 31 March 2025 in the current strategy.

3.3 The wording has been amended to reflect the substantial reduction in the Capital programme that was agreed as part of the budget setting.

3.6 This is a new paragraph explaining what the liability benchmark is showing.

*Table 2* – due to the changes in the CFR figures mentioned above and with relationship to Table 1 the liability benchmark figures have reduced compared to the figures in the 2022/23 strategy.

The rest of section 3 is unchanged

### Section 4 – Borrowing Strategy

4.1 The figures have been updated in the 2023/24 strategy and link to the figures in section 3.1 and table 1

4.3 the wording has changed slightly due to changes in circumstance with regard to funding.

4.11 the wording has changed slightly due to changes in the level of interest rates and the possible affect it will have on our LOBO loan

The rest of section 4 is unchanged.

## **Section 5 – Treasury Management Investment Strategy**

5.1 The figures have been updated in the 2023/24 strategy and link to the figures in section 3.1

5.2 a sentence has been added regarding ESG issues

*Paragraph 5.3* in the 2022/23 strategy regarding negative interest rates has been removed as it is not expected to apply

*Paragraph 5.3* (5.4 in 2022/23) the investment strategy has been amended to reflect the change in circumstances since the previous year.

*Paragraph 5.4* regarding ESG Policy has been included in the 2023/24 strategy

*Table 3* – the approved counterparty limits have not been amended

5.22 – Investment Limits although the forecast reserves figure is higher in 2023/24 strategy the actual investment limit per counterparty has not changed.

*Table 4* – the additional investment limits have not been amended

The rest of section 5 is unchanged.

## **Section 6 – Treasury Management Prudential Indicators**

Credit Risk Indicator – this has not changed

Liquidity risk indicator – this has increased by £5.8m

Interest rate risk indicator – this has reduced by £0.2m

Refinancing risk indicator – this has not changed

Price risk indicator – a new category has been included, but the other figures have not changed

## **Section 7 – Other Items**

Paragraphs 7.6 & 7.7 in 2022/24 strategy have been removed from the 2023/24 document

There have been no further changes in section 7.

## **Section 8 – Financial implications**

The budget for investment income and debt interest is the same for each year.

## **Section 9 – Other Options**

There have been no changes

## **Appendix 1 – Economic & Interest Rate Forecast**

This is specific to the current year

## Appendix 2 – Existing Investment & Debt Portfolio

The movement between 31/1/2022 and 26/01/2023 is shown below

	Difference between 31/01/22 and 26/01/23 £m	Difference between 31/01/22 and 26/01/23 Average Rate %
<b>External Borrowing:</b>		
Public Works Loan Board	(12.40)	(0.05%)
Local authorities	(5.00)	(0.03%)
LOBO loans from banks	-	-
<b>Total External Borrowing</b>	<b>(17.40)</b>	<b>(0.02%)</b>
<b>Other Long-Term Liabilities</b>		
PFI	(4.70)	
Finance Leases	(0.20)	
Transferred Debt	-	
<b>Total Gross External Debt</b>	<b>(22.30)</b>	
<b>Investments</b>		
Banks & Building Societies (unsecured)	10.00	0.12%
Government (incl. local authorities)	40.50	0.13%
Money Market Funds	(1.50)	(3.11%)
Other Pooled Funds	-	
<b>Total Investments</b>	<b>49.00</b>	<b>(3.10%)</b>
<b>Net Debt</b>	<b>26.70</b>	