For General Release

REPORT TO:	**CABINET 7th March 2022** **Full Council 7th March 2022**
SUBJECT:	**Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Strategy 2022/23**
LEAD OFFICER:	**Richard Ennis** **Interim Corporate Director Resources (S151 Officer)**
CABINET MEMBER:	**Councillor Stuart King** **Deputy Leader (Statutory) and Cabinet Member for Croydon Renewal** **Councillor Callton Young** **Cabinet Member for Resources and Financial Governance**
WARDS:	**All**

CORPORATE PRIORITY/POLICY CONTEXT/AMBITIONS FOR CROYDON:

The prime function of the treasury management operation is to ensure that cash flow is adequately managed, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Council's low risk appetite where providing adequate liquidity is prioritised over investment return.

The treasury management service finances the Council's capital plans. These plans provide a guide to the borrowing need of the Council, essentially the longer term cash flow planning, to ensure that the Council can meet its capital spending obligations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses. On occasion, any debt previously drawn may be restructured to meet Council risk or cost objectives.

The contribution the treasury management function makes to the achievement of the Council's objectives is critical, as the balance of debt and investment operations ensures liquidity or the ability to meet spending commitments as they fall due, either as day-to-day revenue spend or for larger capital projects. The treasury operation carefully assesses the balance of the interest costs of debt and the investment income arising from cash deposits as this impacts directly on the Council's finances. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance Sheet.

Much of this treasury activity focusses on risk assessment, monitoring and mitigation. Principal among these risks are concerns about liquidity, interest rates, and security, that is to say whether the Council can obtain the cash it needs, whether those loans are affordable and what are the risks of losing those principal sums. Much of this report describes how these risks are monitored, what steps are taken to manage them and what concerns have been identified. It must be noted though that treasury management is about understanding and managing risk and being aware that risks exist that cannot be foreseen. There are risks inherent in all aspects of this function.

Revised reporting on Treasury Management has been required since the 2019/20 reporting cycle due to revisions of the former Ministry of Housing, Communities and Local Government (MHCLG) Investment Guidance, the MHCLG Minimum Revenue Provision (MRP) Guidance, the Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code and the CIPFA Treasury Management Code. This report complies with these requirements.

On 20 December 2021 CIPFA published revised versions of its two codes. The 2021 publication of the Prudential Code applies with immediate effect, except that authorities may defer introducing the revised reporting requirements until the 2023/24 financial year if they wish. The revised reporting requirements include changes to the capital strategy, prudential indicators and investment reporting. The general ongoing principles of the revised Prudential Code, including the requirement in paragraph 51 that an authority must not borrow to invest primarily for financial return, apply with immediate effect.

Nevertheless, the Council has to have regard to these codes when it prepares the Treasury Management Strategy Statement and Annual Investment Strategy, and related reports during the financial year.

FINANCIAL IMPACT:

This report sets out the Council's Treasury Management objectives, which are to manage the Council's cash flows, borrowing and investments whilst minimising the level of risk exposure; maximising investment yield returns within those risk parameters; and ensuring that capital expenditure and financing plans are prudent, affordable and sustainable. The report details the activities that will be undertaken by the Council in the financial year 2022/23 and the capital borrowing needs of the Council for 2022/2023:

		£m	Total £m
1.	**In Year Borrowing Requirement (Net)**	**36.7**	
2.	**Total Interest Payable on Debt**		
	- chargeable to Housing Revenue Account (HRA)	13.1	
	- chargeable to General Fund	26.7	
			39.8

In addition the report details the investment activities and the estimated level of income earned.

Investment Income net of interest apportioned to Non-General Fund accounts e.g. HRA and other cash balances:- (0.250m)

FORWARD PLAN KEY DECISION REFERENCE NO.:

This is not an executive key decision – this is reserved to the full Council for decision as part of the budget and policy framework.

1. RECOMMENDATIONS

The Leader of the Council has delegated to the Cabinet the power to make the decisions set out in the recommendations below.

The Cabinet is asked to recommend to Full Council that it approve:

1.1. The Treasury Management Strategy Statement 2022/23 as set out in this report including the recommendations:

1.1.1. That the Council takes up borrowing requirements as set out in paragraph 4.15.

1.1.2. That for the reasons detailed in paragraph 4.21, opportunities for debt rescheduling are reviewed throughout the year by the Corporate Director Resources (Section151 Officer) and that he be given delegated authority, in consultation with the relevant member/s of the Executive carrying portfolio responsibilities which cover those currently performed by the Cabinet Member for Resources & Financial Governance and Cabinet Member for Croydon Renewal in relation to Treasury Management in conjunction with the Council's independent treasury advisers, to undertake such rescheduling only if revenue savings or additional cost avoidance can be achieved at minimal risk in line with organisational considerations and with regard to the Housing Revenue Account (HRA) as set out in the Council's Medium Term Financial Strategy 2022/23 to 2024/25.

1.1.3. That delegated authority be given to the Corporate Director Resources (Section151 Officer), in consultation with the relevant member/s of the Executive carrying portfolio responsibilities which cover those currently performed by the Cabinet Member for Resources & Financial Governance and Cabinet Member for Croydon Renewal in relation to Treasury Management, to make any necessary decisions to protect the Council's financial position in light of market changes or investment risk exposure.

1.2. That the Council adopts the Annual Investment Strategy as set out in paragraphs 4.23 and 4.24 of this report.

1.3. That the Authorised Limit (required by Section 3 of the Local Government Act 2003) as set out in paragraph 4.16 be as follows:

2022/23	**2023/24**	**2024/25**
£1,674.624m	**£1,677.024m**	**£1,687.824m**

1.4. That the Council approve the Prudential Indicators as set out in Appendix D of this report.

1.5. That the Annual Minimum Revenue Provision Policy Statement (required by the Local Authorities (Capital Financing and Accounting) (England) (Amendment) Regulations 2008SI 2008/414) as set out in Appendix E of this report be approved.

1.6. That the Council's authorised counterparty lending list criteria as advised within 4.24 and updated from time to time in line with Link Group recommendations, be approved.

1.7. That in the event of the Council receiving a Capitalisation Direction that requires amendments to any part of the statements, strategies or policies contained in this report that the Corporate Director Resources (Section 151 Officer) be authorized to implement those changes and to report them to the next meetings of the Executive and Council.

1.8. The Capital Strategy Statement as provided within Appendix A and further detailed within Section 3 of this Report and have regard to the Capital Programme presented within the General Fund & Housing Revenue Account Budget 2022/23 to 2024/25 report which together comprise the Council's Capital Strategy.

2. INTRODUCTION

2.1. Under Regulations made pursuant to the Local Government Act 2003 the Council is required to have regard to CIPFA's Prudential Code for Capital Finance in Local Authorities, (CIPFA Prudential Code), to ensure that the Council's capital investment plans are affordable, prudent and sustainable. In particular, the CIPFA Prudential Code requires the Council to set a number of Prudential Indicators for the next three financial years. This report, which incorporates these indicators, also details the expected treasury activities for the year 2022/23, in the context of the longer term planning forecasts for the Council. The implications of these key indicators function as the overriding control and guidance mechanism for the future capital programme and the revenue consequences that arise for the Council in future financial years.

2.2. Under the same Regulations the Council is required to have regard to the CIPFA Treasury Management Code of Practice, (CIPFA Treasury Management Code) in setting up and approving its Treasury Management arrangements.

2.3 For the last few years authorities have been required to have regard to the 2017 versions of the two CIPFA Codes. However, CIPFA published revised codes on 20 December 2021 though have stated that formal adoption is not required until the 2023/24 financial year. Nevertheless, the Council has to have regard to these codes when it prepares the Treasury Management Strategy Statement and Annual Investment Strategy, and related reports during the financial year..

2.4 The revised codes have the following implications:

- a requirement for the Council to adopt a new debt liability benchmark treasury indicator to support the financing risk management of the capital financing requirement;

- clarify what CIPFA expects a local authority to borrow for and what they do not view as appropriate. This will include the requirement to set a proportionate approach to commercial and service capital investment;

- address Enviornmental Social Governance (ESG) issues within the Capital Strategy;

- require implementation of a policy to review commercial property, with a view to divest where appropriate;

- create new Investment Practices to manage risks associated with non-treasury investment (similar to the current Treasury Management Practices);

- ensure that any long term treasury investment is supported by a business model;

- a requirement to manage effectively liquidity and longer term cash flow requirements;

- amendment to Treasury Management Principle (TMP1) to address ESG policy within the treasury management risk framework;

- amendment to the knowledge and skills register for individuals involved in the treasury management function - to be proportionate to the size and complexity of the treasury management activity conducted by each authority;

- a new requirement to clarify reporting requirements for service and commercial investment, (especially where supported by borrowing/leverage).

2.5 In addition, all investments and investment income must be attributed to one of the following three purposes: -

Treasury management
Arising from the Council's cash flows or treasury risk management activity, this type of investment represents balances which are only held until the cash is required for use. Treasury investments may also arise from other treasury risk management activity which seeks to manage prudently the risks, costs or income relating to existing or forecast debt or treasury investments.

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 in question 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 a council's financial capacity – i.e., that 'plausible losses' could be absorbed in budgets or reserves without unmanageable detriment to local services. An authority must not borrow to invest primarily for financial return.

2.6 As this Treasury Management Strategy Statement and Annual Investment Strategy deal solely with treasury management investments, the categories of service delivery and commercial investments will, if appropriate, be dealt with as part of future Capital Strategy reports and updates to the Capital Programme. The current Capital Startegy Statement has been provided within Appendix A with the Capital Programme provided for within the General Fund & Housing Revenue Account Budget 2022/23 to 2024/25 report presented as part of the Committee agenda.

2.7 Additionally the Department for Levelling Up, Housing and Communities (DLUHC) is proposing to tighten regulations around local authorities financing capital expenditure on investments in commercial projects for yield and has already closed access to all PWLB borrowing if such schemes are included in an authority's capital programme.

3. CAPITAL STRATEGY STATEMENT

3.1. The two CIPFA Codes (Prudential Code and Treasury management Code) require that each local authority prepare a Capital Strategy as a high level corporate document.

3.2 Cabinet has been provided with the Capital Strategy Statement attached as Appendix A. The General Fund & Housing Revenue Account Budget 2022/23 to 2024/25 provides for the Capital Programme for next 4 years and this Treasury Management report takes into account the implications of the capital programme. Full Council has been asked to approve the Capital Programme under the Budget Report.

3.3 A combination of the Treasury Management Strategy and the General Fund & Housing Revenue Account Budget 2022/23 to 2024/25 the Council meets requirements under the Prudential Code to have a high-level overview of how capital expenditure, capital financing, investments and treasury management activity contribute to the delivery of the authority's plans and provision of services.

3.4 In 2022/23 the Council will be carrying out further detailed review of the Capital Programme, which will include Governance, Capital Planning and a revised Capital Strategy. A further detailed report and developed Capital Strategy will be brought to Full Council and Cabinet in 2022/23.

4. TREASURY MANAGEMENT STRATEGY FOR 2022/2023

4.1 The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return.

4.2 The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer-term cash flow planning, to ensure that the Council can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans, or using longer-term cash flow surpluses. On occasion, when it is prudent and economic, any debt previously drawn may be restructured to meet Council risk or cost objectives.

4.3 The contribution the treasury management function makes to the Council is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.

4.4 Whilst any commercial initiatives or loans to third parties will impact on the treasury function, these activities are generally classed as non-treasury activities, (arising usually from capital expenditure), and are separate from the day to day treasury management activities.

4.5 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."

4.6 The Council is required to receive and approve, as a minimum, three main treasury reports each year, which incorporate a variety of strategies and policies, and estimated and actual figures.

1. **The prudential and treasury indicators and treasury strategy (this report)** - The first, and most significant report covers:

- the capital plans (including prudential indicators);

- an MRP policy (how residual capital expenditure is charged to revenue over time);
- the treasury management strategy (how the investments and borrowings are to be arranged) including treasury indicators; and
- an investment strategy (the parameters for managing investments).

2. **A mid-year treasury management report** – To update members with the progress of the capital position, amend prudential indicators as necessary, and flag whether any policies require revision;

3. **An annual treasury report** – This is a backward looking review document and provides details of the prudential and treasury indicators and treasury operations. The indicators are calculated on the basis of published outturn figures compared to the estimates within the Strategy.

4.7 The Strategy for 2022/23 covers three main areas, capital, treasury management and the Annual Investment Strategy:

Capital

- Capital expenditure plans and borrowing need and associated prudential indicators (paragraphs 4.10 and 4.11);
- MRP policy (paragraph 4.13).

Treasury management

- Current treasury position (paragraph 4.14);
- Borrowing strategy and borrowing requirement (paragraph 4.15);
- Treasury indicators which limit the treasury risk and activities of the Council (paragraph 4.16);
- Interest rate exposure and prospects for interest rates (paragraph 4.17) ;
- Borrowing strategy (paragraph 4.19);
- Policy on borrowing in advance of need (paragraph 4.20);
- Debt rescheduling and repayment (paragraph 4.21);
- Sources of finance (paragraph 4.22);

Annual Investment Strategy

- Investment policy (paragraph 4.23);
- Annual Investment Strategy (paragraph 4.24);
- Prudential Indicators (paragraph 4.25).

These three elements cover the requirements of the Local Government Act 2003, DLUHC Investment Guidance, DLUHC MRP Guidance, the CIPFA Prudential Code, and the CIPFA Treasury Management Code.

4.8 Training

The CIPFA Codes require the responsible officer to ensure that members with responsibility for treasury management receive relevant and adequate training. This especially applies to members responsible for scrutiny. The training needs of treasury management officers are periodically reviewed. As required, training can be offered for elected members to enable effective scrutiny and monitoring of treasury functions and costs.

4.9 Treasury management consultants

The Council uses Link Group, Treasury Solutions (Link) as its external treasury management adviser. However, the Council recognises that responsibility for treasury management decisions remains with itself at all times and will ensure that undue reliance is not placed upon external service providers. All decisions will be undertaken with regards to all available information, including, but not solely, the treasury adviser. The Council also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented and subjected to regular review reflecting sound governance practices.

CAPITAL ISSUES

4.10 Capital Expenditure and Borrowing Need

4.10.1 The Council's capital expenditure plans are the key drivers of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators (Appendix D), which are designed to assist members' overview and confirm capital expenditure plans.

Capital expenditure

4.10.2 The Council has an extensive capital programme which includes funding for housing, highways, education, libraries, leisure and environmental schemes. These schemes include recurring key projects and programmes linked to the Council's statutory duties and include the Highways Maintenance Programme and the Education Estates Programme. In addition the programme includes recurring elements to ensure that the Council's infrastructure is repaired and maintained, which includes digital infrastructure, the corporate property programme and one – off elements linked to the Council's corporate priorities.

4.10.3 Capital expenditure estimates are summarised in the table below:

Table 1: Capital Expenditure

	2020/21 Actual £m	2021/22 Forecast £m	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m
General Fund services	63.5	80.5	87.4	50.2	41.3
Commercial activities and non-financial investments	0.0	0.0	0.0	0.0	0.0
HRA services	22.8	70.2	23.7	23.3	23.0

Capitalisation Direction	65.8	50.0	25.0	5.0	0.0
TOTAL	**152.1**	**200.7**	**136.1**	**78.5**	**64.3**

4.10.4 In addition to the total for each year included in this table, other long term liabilities, such as PFI and leasing arrangements require borrowing for the purpose of their financing.

4.10.5 If awarded, the Capitalisation Direction will allow for certain items of revenue spend to be charged to Capital.

4.10.6 The Council's financing need is funded from various capital and revenue resources plus borrowing as summarised below:

Table 2: Resources

	2020/21 Actual £m	2021/22 Forecast £m	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m
Capital receipts	10.8	52.4	27.5	0	0
Capital grants	18.8	38.7	33.7	32.9	20.9
S106 payments	0.3	5.7	2.9	0.2	0.2
Community Infrastructure Levy	7.9	6.7	7.5	6.9	0
HRA Revenue		10.5	14.1	20.0	16.4
Major Repairs Allowance	12.1	13.7	13.7	13.6	13.5
Borrowing	102.2	73.0	36.7	4.9	13.3
TOTAL	**152.1**	**200.7**	**136.1**	**78.5**	**64.3**

4.10.7 At the time of writing this report the capital programme for 2021/22 may be optimistic. Should there be any shortfall in the expenditure, borrowing will be reduced accordingly.

4.11 The Council's borrowing need (Capital Financing Requirement)

4.11.1 The Council's Capital Financing Requirement (CFR) is the total of historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's indebtedness, effectively its underlying borrowing need. Any capital expenditure, which has not immediately been paid for, will increase the CFR. The CFR does not increase indefinitely, as the MRP is a statutory annual revenue charge which reduces the borrowing need in line with each asset's life. The CFR includes any other long term liabilities such as PFI schemes and finance leases. Whilst these increase the CFR, and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility and the Council is not required to borrow separately to deliver them.

4.11.2 The Council's estimated CFR is detailed in the table below:

Table 3: Estimated Capital Financing Requirement

	2020/21 Actual £m	2021/22 Forecast £m	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m
Capital expenditure	152.055	200.650	136.087	78.463	64.265
Less amount funded from resources (excluding reserves)	(49.840)	(117.175)	(85.339)	(53.563)	(34.565)
Gross In Year Borrowing Requirement (CFR)	**102.215**	**83.475**	**50.748**	**24.900**	**29.700**
Less In Year MRP for debt repayment.	(12.345)	(18.700)	(21.000)	(20.100)	(20.200)
In Year Borrowing Requirement (Net)	89.870	64.775	29.748	4.800	9.500

4.11.3 A key aspect of the regulatory and professional guidance is that elected members are aware of the size and scope of any commercial activity in relation to the Council's overall financial position. The capital expenditure figures shown above indicate that no such activity is planned.

4.12 Core funds and expected investment balances

4.12.1 The application of resources to either finance capital expenditure or to support the revenue budget will have an ongoing impact on investments unless resources are supplemented each year from new sources (eg asset sales). Detailed below are estimates of the year-end balances for each resource and anticipated day-to-day cash flow balances.

Table 4: Core Funds and Cash Balances

Year End Resources	2020/21 Actual £m	2021/22 Forecast £m	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m
General Fund balances / reserves	70.5	92.5	103.0	108.0	113.0
HRA balance	27.6	26.0	26.0	26.0	26.0
Capital receipts	19.2	0.0	0.0	0.0	0.0
Capital Grants	13.0	0.0	0.0	0.0	0.0
Other		0.0	0.0	0.0	0.0
Total core funds	**130.3**	**118.5**	**129.0**	**134.0**	**139.0**

4.13 Minimum Revenue Provision

4.13.1 MRP, which is often referred to as a provision for the repayment of debt, is a charge to revenue in relation to capital expenditure financed from borrowing or through credit arrangements.

4.13.2 Under Regulation 27 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, as amended, local authorities are required to charge MRP to their revenue account in each financial year. Before 2008, the 2003 Regulations contained details of the method that local authorities were required to use when calculating MRP. This has been replaced by the current Regulation 28 of the 2003 Regulations, which gives local authorities flexibility in how they calculate MRP, providing the calculation is 'prudent'. In calculating a prudent provision, local authorities are required to have regard to the statutory guidance issued by DLUHC (previously MHCLG). The latest version of the Guidance was issued on 2 February 2018 and is applicable for accounting periods starting on or after 1 April 2019.

4.13.3 The Guidance states that before the start of each financial year, the Council should prepare a statement of its policy on making MRP in respect of that financial year and submit it to full Council for approval.

4.13.4 Regulation 28 of the 2003 Regulations requires a local authority to calculate in each financial year an amount of MRP that it considers to be prudent. An underpinning principle of the local authority financial system is that all capital expenditure has to be financed either from capital receipts, capital grants (or other contributions) or, eventually, from revenue income. The broad aim of prudent provision is to require local authorities to put aside revenue over time to cover their CFR. In doing so, local authorities should align the period over which they charge MRP to one that is commensurate with the period over which their capital expenditure provides benefits.

4.13.5 The Corporate Director Resources (Section 151 Officer) is responsible for ensuring that accounting policies and the MRP Policy comply with the statutory Guidance in determining a prudent level of MRP.

4.13.6 The MRP for 2021/22 was adopted by full Council on 8 March 2021 (Minute 19/21) and placed particular emphasis on the need to have robust risk assessment processes in place to ensure that an adequate provision is maintained, especially in those circumstances where loan repayments are anticipated. Appendix D provides for the Minimum Revenue Provision Policy for 2022/23 and this aligns with the assumptions applied within the MTFS 2022/23 Budget Setting report being taken to Full Council on 7th March 2022.

TREASURY MANAGEMENT ISSUES

4.14 The Current Treasury Position

4.14.1 The Council's Treasury position as at 31 December 2021 comprised:

Table 5: Borrowing as at 31 December 2021

		Principal £m	Average Rate %
Fixed Rate Funding	- PWLB[1]	897.426	3.29
	- Local Authorities[2]	391,500	1.02
	- Amber Green LEEF 2LLP	8,575	1.68
	- European Investment Bank	102,000	2.20
Variable Rate Funding	- LOBO [3]	20,000	4.20
Total External Debt as 31/12/21		1,419.501	2.55

1. PWLB is the Public Works Loan Board, the branch of Government that is the principal lender to local authorities. Included within this amount is the £223.1m borrowed for the HRA self-financing settlement made on 28/3/2012.
2. As an alternative to borrowing from the Government, local authorities have come to the market offering loans at competitive rates.
3. Lender's Option Borrower's Option (LOBOs) loans are commercial debts with options for the lender to vary the rate at pre-set intervals. If the option is exercised, then the Council can either accept the new rate or repay the loan with no penalty.

4.14.2 The Council's debt maturity profile is included as **Appendix B**.

Table 6: Temporary Investments as at 31 December 2021

	Principal £m	Average Rate %
Temporary investments outstanding as at 31/12/21	141.000	0.2

4.15 The Borrowing Strategy and Borrowing Requirement

4.15.1 The Council's capital expenditure plans are set out in Section 4.10 and referenced by the Capital Strategy Statement in Appendix A. The treasury management function ensures that the Council's cash is managed in accordance with the relevant professional codes, as issued by CIPFA and DLUHC, so that sufficient cash is available to meet this service activity. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The Strategy covers the relevant treasury / prudential indicators, the current and projected debt positions and the annual investment strategy.

4.15.2 The Council's treasury portfolio position at 31 March 2021 and forward projections are summarised below. The table shows the actual external debt against the CFR, highlighting any over or under borrowing.

Table 7: Borrowing and the Capital Financing Requirement

	2020/21 Actual £m	2021/22 Forecast £m	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m
Debt at 1 April	1,445.000	1,446.501	1,519.476	1,556.124	1,561.024
Expected change in debt	1.501	72.975	36.648	4.900	13.300
Other long term liabilities	76.021	73,584	71.000	68.500	66.000
Expected change in other long term liabilities	(2.437)	(2.584)	(2.500)	(2.500)	(2.500)
Actual gross debt at 31 March	**1,520.085**	**1,590.476**	**1,624.624**	**1,627.024**	**1,637.824**
CFR	**1,628.484**	**1,727.965**	**1,743.613**	**1,728.413**	**1,721.513**
Under/ (over) borrowing	**108.399**	**137.489**	**118.989**	**101.389**	**83.689**

Within the above figures the level of debt relating to commercial activities / non-financial investment is:

Table 8: Debt relating to commercial activities / non-financial investment

	2020/21 Actual	2021/22 Forecast	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
Debt at 1 April (£m)	99.407	98.479	97.094	95.666	94.193
Percentage of total external debt (%)	6.9	6.8	6.4	6.1	6.0

4.15.3 Within the prudential regime there are a number of key indicators to ensure that the Council operates its activities within well-defined limits. One of these is that the Council needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for the current year and the following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for unauthorised revenue purposes.

4.15.4 The Corporate Director Resources (Section 151 Officer) reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in the budget report.

4.16 Treasury Indicators: limits to borrowing activity

4.16.1 Section 3 of the Local Government Act 2003 requires the Council to set limits and to keep under review how much it can afford to borrow. The amounts so determined are to be set on a rolling basis, for the forthcoming financial year and two successive financial years.

4.16.2 **Operational boundary for external debt**. This is the limit which external debt is not normally expected to exceed. It reflects the Council's expectations according to probable events.

Table 9: Operational boundary

	2020/21 Actual £m	2021/22 Forecast £m	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m
Debt	1,347.094	1,420.997	1,459.030	1,465.358	1,480.131
Other long term liabilities	73.584	71.000	68.500	66.000	63.500
Commercial activities / non-financial investments	99.407	98.479	97.094	95.666	94.193
TOTAL	**1,520.085**	**1,590.476**	**1,624.624**	**1,627.024**	**1,637.824**

4.16.3 **Authorised limit for external debt.** Another key prudential indicator represents a control on the maximum level of borrowing. This indicator presents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by the full Council. It reflects the level of external debt which could be afforded in the short term, but is not sustainable in the longer term.

4.16.4 The Cabinet is asked to recommend to Full Council that it should approve the following authorised limit:

Table 10: Authorised limit

	2020/21 Actual £m	2021/22 Forecast £m	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m
Debt	1,397.094	1,470.997	1,509.030	1,515.358	1,530.131
Other long term liabilities	73.584	71.000	68.500	66.000	63.500
Commercial activities / non-financial investments	99.407	98.479	97.094	95.666	94.193
TOTAL	**1,570.085**	**1,640.476**	**1,674.624**	**1,677.024**	**1,687.824**

4.17 Interest Rate Exposure and Prospects for Interest Rates

4.17.1 The Council manages its exposure to interest rate risk by borrowing the majority of its funding requirements at fixed rates over a range of durations. This limits the impact on the Council's ability to cover interest costs when interest rates are rising. The Council is also looking into securing borrowing using forward agreements to limit exposure to future increases in interest over the short term. This is a significant tool for managing interest rate exposure risk. Part of the service provided by Link is to assist the Council to formulate a view on interest rates. The following table gives their current forecasts for certainty rates, gilt yields plus 80basis points.

Table 11: Interest Rate Forecast March 2022 to March 2025

Our current and previous PWLB rate forecasts below are based on the Certainty Rate (the standard rate minus 20 bps) which has been accessible to most authorities since 1st November 2012.

Link Group Interest Rate View	7.2.22												
	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25
BANK RATE	0.75	1.00	1.00	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
3 month av. earnings	0.80	1.00	1.00	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20
6 month av. earnings	1.00	1.10	1.20	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30
12 month av. earnings	1.40	1.50	1.60	1.70	1.70	1.60	1.60	1.50	1.40	1.40	1.40	1.40	1.40
5 yr PWLB	2.20	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30
10 yr PWLB	2.30	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40
25 yr PWLB	2.40	2.50	2.50	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60
50 yr PWLB	2.20	2.30	2.30	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40

4.18.2 Commentary on these interest rate forecasts has been provided by Link in Appendix F. Link's commentary on the current wider economic background is attached as Appendix G.

4.19 Borrowing strategy

4.19.1 The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (CFR) has not been fully funded with borrowing as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent when investment returns are low but counterparty risk, such as a bank failing or borrower defaulting, is still an issue that needs to be considered. Against this background and the risks within economic forecasts officers will be cautious when undertaking 2022/23 treasury operations. The Corporate Director Resources (Section151 Officer) will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

- if it was felt that there was a significant risk of a sharp fall in borrowing rates then borrowing will be postponed;

- if it was felt that there was a significant risk of a much sharper rise in borrowing rates than that currently forecast, perhaps arising from an acceleration in the rate of increase in central rates in the USA and UK, an increase in world economic activity or a rate response to the sudden increase in inflation risks, then the portfolio position will be re-appraised. Most likely, fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years.

4.19.2 Any decisions will be reported to the Executive at the first available opportunity.

4.20 Policy on borrowing in advance of need

4.20.1 The CIPFA Prudential Code states that “authorities must not borrow more than or in advance of their needs purely in order to profit from the investment of the extra sums borrowed.” The Council operates within the requirements of the Code. Any decision to borrow in advance will be within forward approved CFR estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds

4.21 Debt rescheduling and repayment

4.21.1 The reasons for any debt rescheduling to take place, that is to say, early repayment of debt and, or, substitution with other loans, will include:

- the generation of cash savings and / or discounted cash flow savings;
- helping to fulfil the treasury strategy; and
- enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).

4.21.2 However, rescheduling is not likely to occur at present because the Public Works Loan Board rates act as a disincentive. Nevertheless, should circumstances change, any rescheduling will be reported to Cabinet, at the earliest meeting following its action.

4.22 Sources of finance

4.22.1 The Council’s main source of finance has traditionally been borrowing from the Public Works Loan Board (PWLB) where funds can be borrowed for up to 50 years at both fixed and variable rates. The Council has qualified for borrowing from the PWLB at the ‘certainty rate’ which is the prevailing PWLB interest rate on the date of borrowing less a discount of 0.20%. This discounted rate applies for funding of capital schemes through prudential borrowing and for the refinancing of maturing long term debt. The Council continues to source cheaper alternatives to the PWLB including other UK local authorities willing to offer loans up to 5 years. In order to reduce the risk that loans will mature when interest rates are peaking, debt is taken on in tranches that mature over a spread of years.

New loans will be taken to fit into gaps in the authority's existing debt maturity profile.

4.22.2 The most significant risk that the Treasury team manage is that relating to dependence on the PWLB for debt. The Government has been prepared to change interest rates available to local authorities. The Government has also declared itself prepared to shut off the supply of debt if local authorities take policy decisions that are at odds with the Government's policy. HM Treasury may reach the statutory limit on lending to local authorities or the Government might seek to impose a limit. Under such circumstances the Council could find it extremely difficult to secure financing at the most competitive rates.

ANNUAL INVESTMENT STRATEGY

4.23 Investment policy

4.23.1 The Council's investment policy has regard to the DLUHC Guidance on Local Government Investments, the CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2017(Treasury Management Code) and the CIPFA Treasury Management Guidance Notes 2018. Whilst DLUHC and CIPFA have extended the meaning of 'investments' to include both financial and non-financial investments this section of the report deals solely with financial investments as managed by the treasury management team. Non-financial investments, essentially the purchase of income yielding assets, are covered in the Capital Strategy (Appendix A).

4.23.2 The Council's investment priorities will be security first, liquidity second, then return. In accordance with the above guidance from the DLUHC and CIPFA, and in order to minimise the risk to investments, the Council applies minimum acceptable credit criteria in order to generate a list of highly creditworthy counterparties which also enables diversification and thus avoidance of concentration risk.

4.23.3 The key ratings used to monitor counterparties are the Short-Term and Long-Term ratings.

4.23.4 Ratings will not be the sole determinant of the quality of an institution; it is important continually to assess and monitor the financial sector on both a micro- and macro- basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To this end the Council will engage with its advisers to maintain a monitor on market pricing such as "credit default swaps" and overlay that information on top of the credit ratings. Other information sources used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.

4.23.5 Investment instruments identified for use in the financial year are summarised in paragraph 4.22 with further detail provided in Appendix C under the 'specified' and 'non-specified' investments categories. Specified investments are those with a high level of credit quality and subject to a maturity limit of one year whilst non-specified investments are of less high credit quality and may be used for periods in excess of one year.

4.23.6 The Council may wish, from time to time, to take advantage of financial derivative instruments in order better to manage risks, such as exposure to interest rate movements. Local authorities, including the Council, have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. Lender Option Borrower Option [or LOBO] loans). However, previous legislation was understood to prevent the use of such tools where they were not embedded in other instruments. The Localism Act 2011 includes a general power of competence that removes the uncertain legal position over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment). The latest CIPFA Treasury Management Code requires local authorities to clearly detail their policy on the use of derivatives in their annual strategy.

4.23.7 The Council will only use financial derivatives (such as swaps, forwards, futures and options) either on a standalone, or embedded basis, where it can be clearly demonstrated that as part of the prudent management of the Council's financial affairs the use of financial derivatives will have the effect of reducing the level of financial risks that the Council is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. This will be determined in liaison with the Council's external advisers. Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria. The current value of any amount due from a derivative counterparty will count against the counterparty credit limit and the relevant foreign country limit if applicable.

4.23.8 At all times the Council will comply with CIPFA advice and guidance on the use of financial derivatives and have regard to CIPFA publications on risk management.

4.24 Annual Investment Strategy

4.24.1 From time to time, under Section 15 (1) of the Local Government Act 2003 the Secretary of State issues statutory guidance on local government investments to which local authorities are required to "have regard."

4.24.2 The current guidance defines investments as "Specified" and "Non-specified".

4.24.3 An investment is a specified investment if all of the following apply:

- the investment and any associated payments or repayments are denominated in sterling;
- the investment has a maximum maturity of one year;
- the investment is not defined as capital expenditure; and
- the investment is made with a body or in an investment scheme described as high quality or with the UK Government, a UK local authority or a parish or community council.

4.24.4 A non-specified investment is any investment that does not meet all the conditions in paragraph 4.22.3 above.

4.24.5 The Council's criteria for the selection of counterparties for investments are based on formal credit ratings issued by Fitch Ratings and supplemented by additional market data such as rating outlooks, the pricing of credit default swaps (CDs) and bank share prices. In addition to the Fitch rated institutions all UK local authorities and some public bodies comprise the Council's Approved Lending List.

4.24.6 Each week, the Council, along with other clients, receives from Link Group a "Suggested Credit List." This is accompanied by a disclaimer reminding recipients, inter alia, as follows:

> *This document is intended for the use and assistance of customers of Link Asset Services. It should not be regarded as a substitute for the exercise by the recipient of its own judgement.*

4.24.7 Notwithstanding this and other similar clauses Link are the largest suppliers of treasury management advisory services to UK local authorities and understand the market well. In their analysis they take into account the views of each of the three major credit ratings agencies along with the pricing of credit default swaps and market intelligence. They are better placed than Council officers to carry out this analysis and the Council has adopted the following lending list criteria:

Specified investments

AAA rated money market funds - limit £20m
Debt Management Office – no limit
Royal Bank of Scotland* – limit £25m
Duration of up to one year.

*Royal Bank of Scotland is included as a specified investment since it is the Council's banker and the UK Government holds a majority stake.

Non-specified investments

All institutions included on Link's weekly "Suggested Credit List" – limit £10m

All UK local authorities – limit £10m
Duration to be determined by the “Suggested Credit List” from Link

4.24.8 As at 31 December 2021, the Council held £141m in short-term investments. Any funds above those required to meet day to day expenditure will be used to repay debt as it matures. As it has become clear that the low interest rate environment which has existed for several years is now coming to an end the cost of re-financing debt is likely to exceed the yield on investments. Daily liquidity requirements will be met by investing in AAA-rated MMFs. As investment rates are influenced throughout the year by the release of key items of data, there may be occasions when some investments will be pitched towards specific periods to take advantage of any unexpected higher rates resulting from data issued.

4.24.9 Based on cashflow forecasts for 2022/23 the Council anticipates its average daily cash balances for the year to be £50m. The overall balances include schools balances and HRA revenue balances for which an apportionment of interest earned is made. The net income then due to the General Fund is estimated at £0.250m.

4.25 Prudential Indicators

4.25.2 The Prudential Indicators for 2022/23 to 2024/25 are attached in Appendix D in accordance with the Code.

4.25.3 The Corporate Director Resources (Section 151 Officer) is responsible for setting up and monitoring the Prudential Indicators in accordance with the Council’s Capital Strategy Statement and the Capital Programme as provided within Appendix A and as provided within the 2022/23 Budget Report respectively.

4.25.4 The Council is also required to confirm that it has adopted the CIPFA Code of Practice on Treasury Management as it has done for many years.

4.25.5 The Prudential Indicators set will be monitored throughout the year and will be reported to the Executive on a regular basis. The indicators break down into four blocks relating to capital expenditure; the affordability of the investment programme; maturity structure of borrowing and control of interest rate exposure.

5 CONSULTATION

5.1 Consultation in respect of the contents of this report has taken place with the Council’s treasury management advisers, Link, in preparing this report.

6 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

6.1 Revenue and Capital consequences of this report are dealt with within this report. There are no additional financial considerations other than those identified in this report.

The effect of the decision

Approval to this report will ensure that the Council meets both its legal and financial management requirements in respect of Treasury Management.

6.2 **Risks**

There are no further risks issues other than those already detailed in this report**.**

6.3 **Options**

These are fully dealt with in this report.

6.4 **Future savings/efficiencies**

This report sets out the Treasury Management Strategy and identifies that new loans will only be undertaken if affordable in revenue terms and debt restructuring will only be undertaken on advice from our treasury management advisers.

The Council will need to carry out further detailed work on the Capital Strategy as it improves under the Improvement and Renewal Plans. Current costs and financial considerations from the Capital Programme are sufficiently covered within Treasury Management.

Approved by: Nish Popat – Interim Head of Corporate Finance

7 LEGAL CONSIDERATIONS

7.1 The Head of Litigation and Corporate Law comments on behalf of the Interim Director of Law and Governance that the recommendations within this report are reserved matters for decision by Full Council. The legal implications are set out under the various sections within the report but in particular these include the requirement for the Council to produce a balanced budget of which the various strategies and limits detailed within this report form a part.

7.2 Section 21(1) of the Local Government Act 2003 ("the 2003 Act") provides that the Secretary of State may make provision about the accounting practices ("proper practices") to be followed by local authorities, including with respect to the charging of expenditure to a revenue account. Section 21(2) of the 2003 Act provides that 'proper practices' includes both enactments in legislation, and codes of practice specified by the Secretary of State in legislation.

7.3 The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 (as amended) ("the 2003 Regulations")made pursuant to the Local Government Act 2003 provide in regulation 31(a) that the accounting practices contained in the "Code of Practice on Local Authority Accounting in the United Kingdom", are to be regarded as proper practices. The code is issued by the Chartered Institute of Public Finance and Accountancy (CIPFA), who may amend and reissue the code from time to time. The regulations requires the Council to have regard to CIPFA's Prudential Code for Capital Finance in Local Authorities ("The Prudential Code"). Regulations 23 and 24 provide respectively that capital receipts may only be used for specified purposes and that in carrying out its capital finance functions, a local authority must have regard to the code of practice in "Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes" ("The Treasury Code") issued by CIPFA which is again revised by CIPFA from time to time. The most recently published version is the 2021 edition. This 2021 publication of the Prudential Code applies with immediate effect, except that authorities may defer introducing the revised reporting requirements until the 2023/24 financial year if they wish. The revised reporting requirements include changes to the capital strategy, prudential indicators and investment reporting. The general ongoing principles of the revised Prudential Code, including the requirement in paragraph 51 that an authority must not borrow to invest primarily for financial return, apply with immediate effect.

7.4 Section 21(3) of the 2003 Act provides that where there is a conflict between enactments in legislation, and accounting practices in codes of practice, that the legislative provisions are to be regarded as the proper practices.

7.5 In relation to the Annual investment strategy, the Council is required to have regard to the Guidance is issued by the Secretary of State under section 15(1)(a) of the Local Government Act 2003 entitled "Statutory guidance on Local Government Investments 3rd Edition" which is applicable from and effective for financial years commencing on or after 1 April 2018.

7.6 Local authorities are required to have regard to the current editions of the CIPFA codes by regulations 2 and 24 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 as amended.

7.7 The requirement for a Capital Strategy stems from the provisions of the Prudential Code which was most recently updated in December 2021. In order to demonstrate that the authority takes capital expenditure and investment decisions in line with service objectives and properly takes account of stewardship, value for money, prudence, sustainability and affordability, authorities should have in place a capital strategy that sets out the long-term context in which capital expenditure, borrowing and investment decisions are made and gives due consideration to both risk and reward and impact on the achievement of priority outcomes. Authorities should report on and clearly distinguish investments for treasury management, service and commercial purposes.

Approved by: Sandra Herbert, Head of Litigation and Corporate Law and Deputy Monitoring Officer on behalf of the Interim Director of Law and Governance and Deputy Monitoring Officer.

8 HUMAN RESOURCES IMPACT

8.1 There are no immediate Human Resources considerations arising from this report. If there are subsequent proposals that may affect the workforce as a result of the Treasury management strategy, consultation and planning must be in line with HR policies and procedures and HR advice must be sought.

Approved by: Dean Shoesmith, Chief People Officer

9 EQUALITIES IMPACT

9.1 Under the Public Sector Equality Duty of Equality Act 2010, decision makers must evidence consideration of any potential impacts of proposals on groups who share the protected characteristics, before decisions are taken. This includes any decisions relating to how authorities act as employers; how they develop, evaluate and review policies; how they design, deliver and evaluate services, and also how they commission and procure services from others.

9.2 Section 149 of the Act requires public bodies to have due regard to the need to:

• eliminate unlawful discrimination, harassment, victimisation and any other conduct prohibited by the Act;

• advance equality of opportunity between people who share a protected characteristic and people who do not share it; and

• foster good relations between people who share a protected characteristic and people who do not share it.

9.3 Protected characteristics defined by law include race and ethnicity, disability, sex, gender reassignment, age, sexual orientation, pregnancy and maternity, and religion or belief and marriage and Civil Partnership. Case law has recognised gender identity along with gender reassignment.

9.4 Having due regard means there is a requirement to consciously address the three tenets of the Equality Duty within decision-making processes. By law, assessments must contain sufficient information to enable the local authority to show it has paid ‘due regard’ to the equalities duties; and identified methods for mitigating or avoiding adverse impact on people sharing protected characteristics. Where a decision is likely to result in detrimental impact on any group with a protected characteristic it must be justified objectively. Report authors have been guided towards ensuring that there is sufficient mitigation when a service has been changed to ensure that there is no detrimental impact on service users as a result of the change.

9.5 The Council's Capital and Revenue Budget 2022/2023 is not subject to an equality impact assessment directly. However where the impact of the budget results in change to policies and the delivery of services the department responsible for the change must carry out an equality impact assessment to evaluate how the change impacts groups that share a protected characteristic along with groups that do not share a protected characteristic, (i.e. Race, sex, disability, religion or belief, sexual orientation, pregnancy and maternity, age, gender identity and marriage and civil partnership). It will also identify if the impact is disproportionate amongst protected characteristics.

9.6 The impact assessment process will include using existing data on service users or where no data is available develop a plan to collect data to enable the Council to monitor the impact on protected characteristics and socio economic inequality.

9.7 In reviewing any proposed change arising from the Capital and Revenue Budget 22/23, officers will take a risk-based approach to analyse potential inequalities. Through its budget proposals, the Council will also seek to identify opportunities to improve services and the quality of life for all Croydon residents while minimising any adverse impacts of decisions, particularly in regard to groups that share protected characteristics. In doing so the Council will focus on another core priority to focus on providing the best quality core service we can afford, in particular social care for the most vulnerable people and keeping streets clean and safe.

9.8 The Council will also be guided by the principals of ensuring that the socio economic impact of any changes is identified. This is guided by the socio economic duty in section 1 of Equality Act 2010.

9.9 Where adverse impact has is identified mitigating actions will be specified and written into an action plan which will be monitored by the risk owner. This is essential to ensure that the Council deliver the best service that they can afford whilst not impacting on the recipients of the service by passing the costs onto the service users.

Approved by: Denise McCausland – Equality Programme Manager

10 ENVIRONMENTAL IMPACT

10.1 There are no Environment and Design impacts arising directly from this report.

11 CRIME AND DISORDER REDUCTION IMPACT

11.1 There are no Crime and Disorder reduction impacts arising from this report.

12 REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

12.1 The recommendations proposed are in accordance with the Treasury Management in the Public Services Code of Practice 2017 and 2021 Edition and the CIPFA Prudential Code for Capital Finance in Local Authorities 2017 and 2021 Edition.

13 OPTIONS CONSIDERED AND REJECTED

13.1 Consideration and evaluation of alternative options are dealt with within this report.

14 DATA PROTECTION IMPLICATIONS YES

14.1 Will the subject of the report involve the processing of "personal data?"

No

14.2 Has a Data Protection Impact Assessment (DPIA) been completed?

No

CONTACT OFFICER: Nigel Cook, Head of Pensions and Treasury Ext 62552

Appendices

Appendix A: Capital Strategy Statement
Appendix B: Long-term debt profile
Appendix C: Specified and non-specified investments
Appendix D: Capital prudential and treasury indicators 2022/23 – 2024/25
Appendix E: Minimum Revenue Provision Policy 2022/23
Appendix F: Commentary on prospects for interest rates
Appendix G: Economic background

Background documents

None