

AGENDA ITEM 6**REPORT TO THE TEES VALLEY
COMBINED AUTHORITY CABINET****17th MARCH 2023****REPORT OF GROUP DIRECTOR OF FINANCE & RESOURCES****TREASURY MANAGEMENT STRATEGY 2023/24****SUMMARY**

This report presents the Authority's Treasury Management, Capital and Investment Strategies for the financial year 2023/24. The Capital Strategy incorporates within it the Minimum Revenue Provision Policy.

RECOMMENDATIONS

It is recommended that the Combined Authority Cabinet approves the Treasury Management, Investment and Capital Strategies for 2023/24.

DETAIL

1. The Chartered Institute of Public Finance and Accountancy Treasury Management Code was updated in 2021. This report fulfils the Authority's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code.
2. The code defines Treasury Management as, the management of the organisations borrowing, investments and cash flows, banking, money market and its capital market transactions. The effective control of the risks associated with those activities, and the pursuit of optimum performance consistent with those risks. This definition is intended to apply to all public service organisations in their use of capital and project financings, borrowings and all investments.
3. To meet with these requirements the following three strategies have been produced:-
 - i. Treasury Management Strategy (Appendix 1) - the management of the Authority's cash flows, borrowing, investments, and the associated risks.
 - ii. Capital Strategy (Appendix 2) - a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the functions of the Authority. Including an overview of how associated risk is managed and the implications for future financial sustainability.
 - iii. Investment Strategy (Appendix 3) – investments held by the Authority that are not managed as part of normal treasury management processes.

4. The underpinning Treasury Management Practices adopted to implement the Treasury Management Strategies have been revised this year to incorporate changes to CIPFA's Code of Practice for Treasury Management in Public Services and are elsewhere on this agenda for approval.

FINANCIAL IMPLICATIONS

5. None

LEGAL IMPLICATIONS

6. None

RISK ASSESSMENT

7. The Treasury Management Strategy is categorised as low to medium risk. Existing management systems and daily routine activities are sufficient to control and reduce risk.

CONSULTATION & COMMUNICATION

8. None.

Name of Contact Officer: Gary Macdonald
Post Title: Group Director of Finance and Resources
Telephone Number: 01642 527707