



Buckinghamshire & Milton Keynes Fire Authority

Meeting and date: Fire Authority, 15 February 2023

Report title: Treasury Management Strategy 2023/24

Lead Member: Councillor Matthew Walsh

Report sponsor: Mark Hemming, Director of Finance & Assets

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Action: Decision.

Recommendations: That the Authority approve the Treasury Management Policy Statement, Treasury Management Strategy Statement and the Annual Investment Strategy for 2023/24

Executive summary:

This report is being presented as the Fire Authority is required to approve the Treasury Management Policy Statement, Treasury Management Strategy Statement and the Annual Investment Strategy. These documents (Appendix 1) all support the Medium-Term Financial Plan.

The current strategy has been operating effectively and outperforming the benchmark targets. The Bank of England's Monetary Policy Committee has increased the interest base rate on nine consecutive occasions since December 2021. This has resulted in an increase in the level of returns from investments for the Authority. Therefore, the investment returns budget for 2023/24 will increase to £0.350m.

There is no significant change from the previous strategy. The Authority will continue to invest surplus funds in short-term deposits, maturing on a frequent basis, while ensuring the Authority is able to maintain adequate liquidity and meet short-term expenditure requirements.

Financial implications:

The proposed budget for 2022/23 is £0.350m. It is anticipated that the budget will be met. Detailed information is shown within Appendix 1.

Risk management:

Making investments in the Authority's own name means that the Authority bears the risk of any counterparty failure. This risk will be managed in accordance with the strategy and with advice from external treasury management advisors.

The Director of Finance and Assets will act in accordance with the Authority's policy statement; treasury management practices and CIPFA's Standard of Professional Practice on Treasury Management.

The risk of counterparty failure is monitored on the directorate level risk register within Finance and Assets.

There are no direct staffing implications.

Legal implications:

The Authority is required by section 15(1) of the Local Government Act 2003 to have regard to the Department for Levelling Up, Housing and Communities Guidance on Local Government Investments; and by regulation 24 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 [SI 3146] to have regard to any prevailing CIPFA Treasury Management Code of Practice.

Under section 12 of the Local Government Act 2003 the Authority has the power to invest for "any purpose relevant to its functions" and "for the purposes of the prudent management of its financial affairs".

However, it must exercise its investment power in accordance with its fiduciary duty, analogous to that of a trustee, owed to those who contribute to the funds of the Authority.

Privacy and security implications:

No direct impact.

Duty to collaborate:

No direct impact.

Health and safety implications:

No direct impact.

Environmental implications:

In discussion with our treasury advisors, Officers have invested in sustainable investments and in 2022/23, the Authority had invested £2m in sustainable investments. Officers will continue to explore sustainable investments, which are sustainable deposits that allow customers to have their capital referenced against sustainable assets, whether existing now or in the future, as verified through the green and sustainable product framework on a net positive basis.

Equality, diversity, and inclusion implications:

No direct impact.

Consultation and communication:

No direct impact.

Background papers:

CIPFA Code of Practice for Treasury Management in the Public Services (CIPFA Code)

Department for Levelling Up, Housing and Communities Guidance on Local Government Investments (DLUHC Guidance)

Appendix	Title	Protective Marking
1	Treasury Management Policy Statement, Treasury Management Strategy Statement and Annual Investment Strategy	
2	Provisional Counterparty List	
3	Prospects for Interest Rates	
4	Credit Rating Definitions	