



# Buckinghamshire & Milton Keynes Fire Authority

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**Meeting and date:** Fire Authority, 14 February 2024

**Report title:** Treasury Management Strategy 2024/25

**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 2024/25

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## 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 fourteen 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 2024/25 will increase from £0.350m to £0.700m.

During 2023/24 the Authority took the opportunity to repay a PWLB borrowing early. This borrowing was for £0.627m and was due to be repaid in 2056. The Authority was able to repay this loan at a discount of £0.046m. This resulted in a repayment of £0.589m, which included interest of £0.008m.

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.

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## Financial implications:

The proposed budget for 2024/25 is £0.700m. 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 the treasury advisors the Authority have invested £2m in sustainable investments in 2023/24. 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)

<b>Appendix</b>	<b>Title</b>	<b>Protective Marking</b>
1	Treasury Management Strategy 2024-25	