

Report to: Cabinet



Date of Meeting 5 February 2025

Document classification: Part A Public Document

Exemption applied: None

Review date for release N/A

Treasury Management Strategy 2025/26 (incorporating Minimum Revenue Provision Policy Statement and Annual Investment Strategy) and Capital Strategy 2025/26

Report summary:

Treasury Management Strategy Statement

The Chartered Institute of Public Finance and Accountancy (CIPFA) produces a Code of Practice for treasury management for Public Services.

One of the main recommendations of this code is the requirement for an annual Treasury Management Strategy to be adopted formally by the Council.

There is also a requirement to set prudential indicators relating to all treasury activities that the authority will undertake in the forthcoming financial year.

Capital Strategy

Appended is a draft Capital Strategy for Cabinet to consider and recommend to Council for adoption, this forms part of the annual budget setting approval process.

The document draws together various adopted strategies and agreed process of the Council that govern how the Council manages capital expenditure and investment decisions. The Capital Strategy brings these areas together in one overarching document.

The Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code requires local authorities to produce a capital strategy to demonstrate that capital expenditure and investment decisions are taken in line with desired outcomes and take account of stewardship, value for money, prudence, sustainability and affordability. This Council's practices meet these outcomes and it's useful to set these out in one place to demonstrate this.

Decisions made this year on capital and treasury management will have financial consequences for the Council for many years to come. They are therefore subject to both a national regulatory framework and a local policy framework, summarised in this strategy with further details available in the relevant supporting documents.

Is the proposed decision in accordance with:

Budget Yes ☒ No ☐

Policy Framework Yes ☒ No ☐

Recommendation:

The Cabinet is requested to recommend the following to the full Council:

1a. Council adopts this Treasury Management Strategy including the Prudential Indicators for 2025/26;

- 1b. Council approves the Minimum Revenue Provision Policy Statement;
- 1c. Council approves the Annual Investment Strategy, creditworthiness criteria and updated list of counterparties
- 2a. Council adopts the Capital Strategy 2025/26 – 2028/29

Reason for recommendation:

The Council is required to adopt formally a Treasury Management Strategy and set prudential indicators before the beginning of the new financial year. In order to comply with good practice there is a requirement for the Council to have in place an adopted Capital Strategy.

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Portfolio(s) (check which apply):

- ☐ Climate Action and Emergency Response
- ☐ Coast, Country and Environment
- ☐ Council and Corporate Co-ordination
- ☐ Communications and Democracy
- ☐ Economy
- ☒ Finance and Assets
- ☐ Strategic Planning
- ☐ Sustainable Homes and Communities
- ☐ Culture, Leisure, Sport and Tourism

Equalities impact Low Impact

Climate change Low Impact

Risk: Low Risk; The Council would fail to comply with CIPFA recommended “best practice” for treasury management.

Links to background information [Capital Strategy 2025/26](#)
[Treasury Management Strategy Statement](#)

Link to [Council Plan](#)

Priorities (check which apply)

- ☐ A supported and engaged community
- ☐ Carbon neutrality and ecological recovery
- ☐ Resilient economy that supports local business
- ☒ Financially secure and improving quality of services

Financial implications:

Contained within the report.

Legal implications:

As indicated in the accompanying report, the Treasury Management Strategy must be prepared in line with the statutory framework and related guidance and the finance team has confirmed that this has been done. Otherwise, there are no legal implications requiring comment.