

TREASURY MANAGEMENT STRATEGY

Summary: to report the Board's Treasury Management Strategy for 2022/23

Recommendation: that the Board supports the contents of the Treasury Management Strategy and approves the recommendation that the Finance and Governance Sub-Committee completes a review and recommendation exercise of (1) alternative banking options and products and (2) the Board's future Investment Strategy.

Report by: Diane Bassett – Head of Finance (Maternity Cover)

TREASURY MANAGEMENT

1. The Board is required to approve and maintain a strategy for managing its investments and borrowings. The current strategy was approved by the Board in February 2021.
2. Each year, up until now, the Executive Committee has reviewed the strategy, together with the Board's Financial Investment Performance in the year. From this year the Finance and Governance Sub-Committee has taken on this responsibility.
3. The proposed strategy for 2022/23 is attached at Appendix A. It contains no changes of any consequence from that approved by the Board last year.
4. The Board's existing Treasury Management Strategy has to date provided a sound basis for controlling its investments and managing its risk.
5. Investment options are naturally restricted by the short-term nature of the Board's available funds; by the comparatively modest size of the sums available; and by the Board's inherent public sector status.
6. As a result, officers have historically used short fixed-term deposits with Lloyds and Clydesdale Banks, so as to achieve a degree of flexibility and competition, whilst maximising the rate of return.

FINANCIAL INVESTMENT PERFORMANCE

1. The Board has historically invested surplus funds in accordance with its approved Treasury Management Strategy.
2. The modest and short-term nature of the Board's available funds, and the current economic climate, mean that the income generated is relatively low.
3. The Board currently has all its funds with Lloyds but **it is recommended that the Finance and Governance Sub-Committee now complete a review and recommendation exercise of alternative bank accounts and products.** A detailed cash-flow exercise will also need to be completed ahead of any investment decisions being made.

SUPPORTING PAPERS

- Appendix A – Treasury Management Strategy

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