



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Agenda Item No: 3.2

Treasury Management Strategies 2023/24

To: Cambridgeshire and Peterborough Combined Authority Board

Meeting Date: 22 March 2023

Public report: Yes

Lead Member: Mayor Dr Nik Johnson

From: Jon Alsop, Chief Finance Officer

Key decision: No

Forward Plan ref: N/A

Recommendations: The Combined Authority Board is recommended to:

a) Approve the following financial strategies:

- i) The Capital Strategy 2023-24
- ii) The Investment Strategy 2023-24
- iii) The Treasury Management Strategy 2023-24

b) Approve the Minimum Revenue Provision statement for 2023-24

Voting arrangements: A simple majority of Members present and voting

To be carried, the vote must include the vote of the Mayor, or the Deputy Mayor when acting in place of the Mayor.

1. Purpose

- 1.1 The purpose of the report is for the Combined Authority Board to review and approve the proposed Financial Strategies and Minimum Revenue Provision statement for 2023/24.

2. Background

- 2.1 Under the Combined Authority's Constitution the Combined Authority Board is responsible for the adoption of, and any amendments to, the Financial Strategies.
- 2.2 According to its Terms of Reference, the Audit and Governance Committee shall "ensure there is effective scrutiny of the treasury management strategy and policies in accordance with CIPFA's Code of Practice".
- 2.3 The Audit and Governance Committee have reviewed the revised strategies for 2023-24 at their December meeting ([02 December Audit and Governance Committee item 7](#)). Since then the strategies have been updated to bring them in line with the final approved version of the MTFP and an additional chart has been included in the Treasury Management Strategy at the suggestion of Arlingclose, our treasury management advisors.
- 2.4 The following strategies have been updated for 2023-24 and are attached as Appendix 1.
 - (a) **Capital Strategy:** To provide a high-level overview for elected members to understand how stewardship, value for money, prudence, sustainability and affordability will be secured.
 - (b) **Treasury Management Strategy:** Being the management of the Authority's cash flows, borrowing and investments and the associated risks.
 - (c) **Investment Strategy:** To meet the requirements of statutory guidance in which the Authority would support local public services by lending to or buying shares in other organisations, or to earn investment income.
 - (d) **Minimum Revenue Provision Statement:** A DLUCH requirement to approve an MRP Statement each year to ensure that capital expenditure is financed over a reasonable period
- 2.5 The Board is asked to review the suite of strategies for adoption from the 1st April 2023.

Significant Implications

3. Financial Implications

- 3.1 None other than those highlighted in the main body of the report.

4. Legal Implications

- 4.1 Treasury Management activities have to conform to the Local Government Act 2003, the Local Authorities (Capital; Finance and Accounting) (England) Regulations 2003 (SI

2003/3146), which specifies that the Council is required to have regard to the CIPFA Prudential Code and the CIPFA Treasury Management Code of Practice and also the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 (SI 2008/414), which clarifies the requirements of the Minimum Revenue Provision guidance.

5. Public Health Implications

- 5.1 The adoption of the revised strategies will have a neutral direct effect on Public Health.

6. Environmental and Climate Change Implications

- 6.1 The Treasury Management Strategy contains a commitment to consider environmental, social and governance (ESG) issues when investing. There is one appropriate fund with verified ESG credentials on the market at time of drafting, and the application process has been started.

7. Other Significant Implications

- 7.1 None

8. Appendices

- 8.1 Appendix 1 – Cambridgeshire and Peterborough Combined Authority Draft Strategies 2023-24
- 8.2 Appendix 2 - Cambridgeshire and Peterborough Combined Authority Draft Strategies 2023-24 (with track changes)

9. Background Papers

- 9.1 [Cambridgeshire and Peterborough Combined Authority Capital Strategy 2022/23](#)
- 9.2 [Cambridgeshire and Peterborough Combined Authority Investment Strategy 2022-23](#)
- 9.3 [Cambridgeshire and Peterborough Combined Authority Treasury Management Strategy 2022-23](#)