

# Report to the Audit & Governance Committee



Epping Forest  
District Council

**Report reference:**

**Date of meeting:** 22 March 2021

**Portfolio:** Finance & Economic Development

**Subject:** Treasury Management Strategy (including Investment Strategy) 2021/22

**Responsible Officer:** Andrew Small (01992 564278)

**Democratic Services:** Laura Kirman (01992 564243)

---

## Recommendations/Decisions Required:

- (1)** To consider and recommend for approval by full Council, the draft Treasury Management Strategy 2021/22 (including the MRP Policy) attached at **Appendix A**; and
- (2)** To consider and recommend for approval by full Council, the draft Investment Strategy 2021/22 attached at **Appendix B**.

## Executive Summary:

The preparation of an annual Treasury Management Strategy is a requirement of CIPFA's *Treasury Management in the Public Services: Code of Practice* (the CIPFA Code) and generally accepted good practice. It covers planned treasury activity for the financial year 2021/22 and is attached at **Appendix A**.

In addition, following the issue of (MHCLG) statutory guidance on Local Government Investments in 2018, the Council is now recommended to produce an annual Investment Strategy, covering the Council's wider investment activities. The 2021/22 Strategy is attached at **Appendix B**.

The overriding position that this report presents in the year ahead is a further rise in Borrowing activity as the Council continues to roll out its capital investment plans. Conversely Investment activity is expected to be very limited.

Both Borrowing and Investing is taking place against a backdrop of historically low interest rates, which are set to continue for some time.

This purpose of this report is to allow the Audit and Governance Committee to consider and comment on both strategies, before making appropriate recommendations to full Council on 29th April 2021.

### **Reasons for Proposed Decision:**

To provide assurance to full Council that the risks associated with treasury management and investments are being appropriately managed.

### **Legal and Governance Implications:**

CIPFA's the CIPFA Code) requires the Council to prepare for approval by full Council, an annual Treasury Management Strategy.

The Government (MHCLG) issued Investment Guidance in 2018, recommending the preparation (at least annually) of an Investment Strategy for approval by full Council.

The role of the Audit and Governance Committee is to consider this report – covering both the Treasury Management and Investment strategies – and make recommendations to full Council.

### **Safer, Cleaner and Greener (SCG) Implications:**

None.

### **Background Papers:**

Treasury Management in the Public Services: Code of Practice 2017 Edition published by CIPFA.

(MHCLG) Statutory Guidance on Local Government Investments (3rd Edition). Issued under section 15(1)(a) of the Local Government Act 2003 and effective for financial years commencing on or after 1st April 2018.

### **Risk Management:**

There are a range of inherent financial risks associated with Treasury Management activity; not least the potential for loss of interest and/or deposits. The Council therefore engages the services of external Treasury Management advisors, Arlingclose Ltd.

Borrowing and Investment decisions are made in accordance with the Council's formally adopted Treasury Management Strategy. The Strategy includes several Risk Management features, including – for example – the overriding priority that security of deposit takes precedence over return on investment.