

## FSAG ANNUAL TREASURY MANAGEMENT REPORT

<b>Head of Service:</b>	Peter Sebastian, Director of Corporate Services and Section 151 Officer (Chief Finance Officer)
<b>Report Author</b>	Sue Emmons, Chief Accountant
<b>Wards affected:</b>	(All Wards);
<b>Appendices (attached):</b>	<b>Appendix 1</b> – Printed minutes from FSAG meeting on 27 September 2024. <b>Appendix 2</b> – Printed minutes from FSAG meeting on 22 November 2024. <b>Appendix 3</b> – Printed draft minutes from FSAG meeting on 31 January 2025.

### Summary

This report provides Audit & Scrutiny Committee with an update on the work undertaken by Financial Strategy Advisory Group with respect to the Council's Treasury Management activity over the past 12 months.

### Recommendation (s)

#### The Committee is asked to:

- (1) Receive the annual report from Financial Strategy Advisory Group in relation to its monitoring of the Council's treasury management function over the past 12 months.**

#### 1 Reason for Recommendation

- 1.1 To provide Audit & Scrutiny Committee with an annual report of its monitoring of the treasury management function over the past 12 months.

#### 2 Background

- 2.1 In July 2023 Full Council considered a report to review the Financial Policy Panel (FPP), following recommendations arising from the Local Government Association (LGA) Finance Peer Review, which took place in March 2021. Full Council agreed the proposed changes to the constitution which were set out in the report.

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- 2.2 One of the agreed proposals was that responsibility for treasury management performance monitoring remain with Audit & Scrutiny but be delegated to FPP to be consolidated with FPP's responsibility for setting the annual treasury management strategy.
- 2.3 It was also agreed that to enable Audit & Scrutiny to fulfil its oversight responsibility, FPP would report back annually (or more regularly on an exception basis if required) to Audit & Scrutiny to disclose how it has exercised monitoring of the treasury management function.
- 2.4 Full Council also agreed that FPP be renamed as Financial Strategy Advisory Group (FSAG), to reflect its new wider responsibilities.
- 2.5 Over the past 12 months FSAG has considered the following treasury management reports:
  - 2.5.1 Treasury Management Year-End Performance 2023/24 – 27 September 2024.
  - 2.5.2 2024/25 Mid-Year Treasury Management – 22 November 2024.
  - 2.5.3 Treasury Management Strategy 2025/26 – 31 January 2025.

### 3 Financial Strategy Advisory Group meetings

- 3.1 On 27 September 2024 FSAG considered the [Treasury Management Year-End Performance 2023/24](#) report. The report set out the final outturn position of the Council's treasury management performance for the financial year 2023/24. FSAG was asked to receive both the report and the prudential indicators. Appendix 1 contains the minutes of the meeting.
- 3.2 On 22 November 2024 FSAG consider the [2024/25 Mid-Year Treasury Management](#) report. The report set out the treasury management performance for the first six months of 2024/25. The meeting was preceded by an hour-long treasury management training session by the Council's external treasury management advisors, Link Asset Services – Treasury Solutions, which was open to all Members and recorded for anyone unable to attend the session.
- 3.3 FSAG was asked to receive the presentation from Link Asset Services – Treasury Solutions; note the performance on return of investments for the first six months of 2024/25; note the current investment decisions being made within the terms set out in the Treasury Management Strategy; and note that 2025/26's Treasury Management Strategy, due to be presented to FSAG in January 2025, ahead of recommendation to Full Council in February 2025, will continue to be based on the local government template provided by sector specialist Link Asset Solutions. Appendix 2 contains the minutes of the meeting.

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- 3.4 On 31 January 2025 FSAG considered the [Treasury Management Strategy 2025/26](#) report. The report outlined the treasury management strategy for 2025/26, which includes prudential indicators for 2025/26 to 2027/28, the minimum revenue provision (MRP) policy, and the investment and borrowing strategy. FSAG was asked to recommend to Full Council that the treasury management strategy be approved; and advise whether any countries should be considered for removal from the list of approved investable countries at section 5.17 of the treasury management strategy.
- 3.5 FSAG proposed that Abu Dhabi (UAE) and Qatar be removed from the list of approved investable countries at section 5.17 to go to Full Council. Appendix 3 contains the minutes of the meeting. The [Treasury Management Strategy 2025/26](#) was included as appendix 11 of the Budget Report 2025/26 which was approved by Full Council at its meeting on 11 February 2025.

### 4 Risk Assessment

Legal or other duties

#### 4.1 Equality Impact Assessment

4.1.1 None arising from the contents of this report.

#### 4.2 Crime & Disorder

4.2.1 None arising from the contents of this report.

#### 4.3 Safeguarding

4.3.1 None arising from the contents of this report.

#### 4.4 Dependencies

4.4.1 None arising from the contents of this report.

#### 4.5 Other

4.5.1 None arising from the contents of this report.

### 5 Financial Implications

5.1 **Section 151 Officer's comments:** None for the purposes of this report.

### 6 Legal Implications

6.1 **Legal Officer's comments:** None for the purposes of this report.

### 7 Policies, Plans & Partnerships

7.1 **Council's Key Priorities:** The following Key Priorities are engaged:

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- Effective Council.

7.2 **Service Plans:** The matter is not included within the current Service Delivery Plan.

7.3 **Climate & Environmental Impact of recommendations:** None arising from the contents of this report.

7.4 **Sustainability Policy & Community Safety Implications:** None arising from the contents of this report.

7.5 **Partnerships:** None arising from the contents of this report.

### 8 Background papers

8.1 The documents referred to in compiling this report are as follows:

#### **Previous reports:**

- None.

#### **Other papers:**

- [Financial Policy Panel Review](#) - Full Council – 25 July 2023.
- [Budget Report 2025/26](#) – Full Council – 11 February 2025.