

**Report of the Chief Finance Officer for the PCC to the Chair and Members of the  
Cleveland Audit Committee  
28<sup>th</sup> March 2024**

**Presenting Officer: Michael Porter, PCC Chief Finance Officer**

**Status: For agreement**

**Treasury Management**

**1. Purpose**

- 1.1 As part of the agreed Treasury Management Strategy the PCC has nominated the Audit Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.
- 1.2 This report provides a copy of the current strategy and policies and provides Members with an overview of the reports that are proposed to be sent to this Committee during 2024/25.

**2. Recommendations**

Members are asked to:

- 2.1 Note the recently approved Treasury Management Strategy that is attached at **appendix A**, which includes the Annual Investment Strategy.
- 2.2 Note the Minimum Revenue Provision Policy 2024-25, attached at **appendix B**.
- 2.3 Consider whether a separate briefing on Treasury Management is required so that Members can undertake the effective scrutiny of this area of work.
- 2.4 Note the reports and work that will be provided to the Committee over the coming year to enable them to scrutinise Treasury Management.

### **3. Reasons**

- 3.1 The PCC is required to receive and approve (as a minimum) three main treasury reports each year. The annual treasury management strategy including the Prudential Indicators (the report appended to this report) is forward looking, it is the first and most important of the three and includes:
- Prudential and treasury indicators and treasury strategy (These are appended to this report and will be provided at each March Committee)
    - the capital plans, (including prudential indicators).
    - a minimum revenue provision (MRP) policy, (how residual capital expenditure is charged to revenue over time).
    - the Treasury Management Strategy, (how the investments and borrowings are to be organised), including treasury indicators; and
    - an Annual Investment Strategy, (the parameters on how investments are to be managed).
  - A mid-year treasury management report – This is primarily a progress report and will update members on the capital position, amending prudential indicators as necessary, and whether any policies require revision. – this will be reported to the December Committee.
  - An annual treasury report – This is a backward-looking review document and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy. – this will be reported to the June Committee.
- 3.2 The PCC had nominated the Audit Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies, and the current strategies and policies are provided to enable this to happen.
- 3.3 Members are encouraged to scrutinise the attached reports and raise any questions/queries that they may have.

### **4. Implications**

- 4.1 Finance  
There are no financial implications arising directly from this report.
- 4.2 Diversity & Equal Opportunities  
There are no diversity or equal opportunities implications arising from this report.
- 4.3 Human Rights Act  
There are no Human Rights Act implications arising from this report.
- 4.4 Sustainability  
There are no sustainability issues arising from this report.

4.5 Risk

There are no risk issues arising from this report.

**5. Conclusion**

- 5.1 This report sets out the recently approved Treasury Management Strategy and associated reports for Member's information and scrutiny to enable then to undertake the nomination from the PCC for this Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.