

Cabinet Meeting Resolution

Executive  
Forward Plan  
Reference

**E3643**

**Treasury Management Strategy Statement 2026/27**

<b>Date of Meeting</b>	12-Feb-26												
<b>The Issue</b>	<p>The Chartered Institute of Public Finance and Accountancy’s Treasury Management in the Public Services: Code of Practice 2021 Edition (the CIPFA Code) requires the Authority to approve a treasury management strategy before the start of each financial year.</p> <p>This report fulfils the Council’s legal obligation under the Local Government Act to have regard to the CIPFA Code.</p>												
<b>The decision</b>	<p>(1) To recommend the actions proposed within the Treasury Management Strategy Statement 2026/27 (Appendix 1 of the report) to Council.</p> <p>(2) To note the Treasury Management Indicators detailed in Appendix 1 of the report.</p>												
<b>Rationale for decision</b>	<p>The Local Government Act 2003 requires the Council to ‘have regard to’ the Prudential Code and to set Treasury Indicators for the next three years to ensure that the Council’s capital investment plans are affordable, prudent and sustainable.</p> <p>The Act therefore requires the Council to set out its treasury strategy for borrowing and to prepare a Treasury Management Strategy; this sets out the Council’s policies for managing its investments and for giving priority to the security and liquidity of those investments.</p>												
<b>Other options considered</b>	<p>The Director of Finance (S151 Officer), having consulted the Cabinet Member for Resources, believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are the table below.</p> <table border="1"> <thead> <tr> <th>Alternative</th> <th>Impact on income and expenditure</th> <th>Impact on risk ma</th> </tr> </thead> <tbody> <tr> <td>Invest in a narrower range of counterparties and/or for shorter times.</td> <td>Interest income will be lower.</td> <td>Lower chance of lo credit related defa such losses may b</td> </tr> <tr> <td>Invest in a wider range of counterparties and/or for longer times.</td> <td>Interest income will be higher.</td> <td>Increased risk of lo credit related defa such losses may b</td> </tr> <tr> <td>Borrow additional sums at long-term fixed interest rates.</td> <td>Debt interest costs will rise; this is unlikely to be offset by higher investment income.</td> <td>Higher investment leading to a higher event of a default; term interest costs certain.</td> </tr> </tbody> </table>	Alternative	Impact on income and expenditure	Impact on risk ma	Invest in a narrower range of counterparties and/or for shorter times.	Interest income will be lower.	Lower chance of lo credit related defa such losses may b	Invest in a wider range of counterparties and/or for longer times.	Interest income will be higher.	Increased risk of lo credit related defa such losses may b	Borrow additional sums at long-term fixed interest rates.	Debt interest costs will rise; this is unlikely to be offset by higher investment income.	Higher investment leading to a higher event of a default; term interest costs certain.
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	Borrow short-term or variable loans instead of long-term fixed rates.	Debt interest costs will initially be lower.	Increases in debt i will be broadly offs investment income term, but long-term less certain.
	Reduce level of borrowing.	Saving on debt interest is likely to exceed lost investment income.	Reduced investme leading to a lower event of a default; term interest costs certain.

**The Decision is subject to Call-In within 5 working days of publication of the decision**