

ORIGINATOR: PCC T/CFO

DECISION NUMBER: 5 – 2022

REASON FOR SUBMISSION: FOR DECISION

SUBMITTED TO: POLICE AND CRIME COMMISSIONER

SUBJECT: INVESTMENT AND TREASURY MANAGEMENT STRATEGY 2022/23

SUMMARY:

1. This paper seeks approval from the Police and Crime Commissioner for the Investment and Treasury Management Strategy 2022/23.
2. Government regulations require the PCC to approve the investment and borrowing strategies prior to the start of the financial year. These are incorporated within the attached strategy, which is published alongside the MTFP.
3. The investment and treasury management strategy, which includes several Prudential Code and treasury management indicators, follows guidance from The Chartered Institute of Public Finance and Accountancy.
4. New editions of the Prudential Code and the Treasury Management Code of Practice were issued in December 2021. The main change to the Prudential Code relate places a restriction on borrowing funds for financial return. Compliance with the revised Codes is required on a 'best endeavours' basis for 2022/23 and should be fully implemented from 2023/24.
5. The strategy is updated annually to reflect working practices for the PCC and any changes in regulation, Prudential Code or the Treasury Management Code of Practice. No significant changes to the strategy are proposed from 2021/22 and no material changes required to the current strategy to comply with the revised Codes.

RECOMMENDATION:

It is recommended that the Police and Crime Commissioner approves the attached Investment and Treasury Management Strategy 2022/23.

APPROVAL BY: PCC

The recommendation set out is agreed.

Signature:

A handwritten signature in black ink, appearing to read 'Tim Parrymore', is written over a faint, light blue circular official stamp.

Date: 17.01.2022

DETAIL OF THE SUBMISSION

1. KEY AREAS FOR CONSIDERATION:

- 1.1 PCCs have flexibility over capital investment in fixed assets that are central to the delivery of appropriate standards of public services. Levels of borrowing can be determined locally, provided that capital investment plans are affordable, prudent and sustainable. A further key objective is to ensure that treasury management decisions are taken in accordance with sound professional practice and in a manner that supports prudence, affordability and sustainability. The Prudential Code is a statutory code. Its compliance helps to ensure prudent financial management.
- 1.2 To demonstrate that these objectives have been fulfilled, the Prudential Code sets indicators that are determined by the PCC. They are designed to ensure that the PCC stays within the constraints of prudent investment and borrowing. They are not designed to be comparative performance indicators.
- 1.3 New editions of the Prudential Code and the Treasury Management Code of Practice were issued in December 2021. The main emphasis of the changes to the Prudential Code relate to the restriction on borrowing funds for a financial return, which came into immediate effect. Compliance with the revised Codes is required on a 'best endeavours' basis for 2022/23 and should be fully implemented by organisations from 2023/24.
- 1.4 No significant changes to the strategy are proposed from 2021/22 and no material changes required to the current strategy to comply with the revised Codes.
- 1.5 The updated Investment and Treasury Management Strategy 2022/23 (see Appendix 1) replaces the 2021/22 strategy. This presents the Prudential and treasury indicators and treasury strategy and covers:
 - The treasury management strategy and how investments and borrowings are to be organised, including treasury indicators;
 - An investment strategy showing the parameters on how investments are to be managed;
 - The capital plans including prudential indicators (see Annex 1 of strategy);
 - A minimum revenue provision policy on how unfunded capital expenditure is charged to revenue over time (see Annex 2 of strategy); and

2. FINANCIAL IMPLICATIONS:

- 2.1 There are no financial implications outside of those presented in the strategy

3. OTHER IMPLICATIONS AND RISKS:

- 3.1 There are no other implications and risks outside of those presented in this report.

ORIGINATOR CHECKLIST (MUST BE COMPLETED)	PLEASE STATE 'YES' OR 'NO'
Has legal advice been sought on this submission?	No
Has the PCC's Chief Finance Officer been consulted?	Yes
Have equality, diversity and human rights implications been considered including equality analysis, as appropriate?	Yes
Have human resource implications been considered?	Yes
Is the recommendation consistent with the objectives in the Police and Crime Plan?	Yes
Has consultation been undertaken with people or agencies likely to be affected by the recommendation?	Yes
Has communications advice been sought on areas of likely media interest and how they might be managed?	No
Have all relevant ethical factors been taken into consideration in developing this submission?	Yes

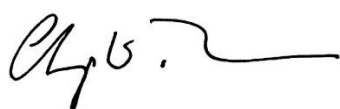
In relation to the above, please ensure that all relevant issues have been highlighted in the 'other implications and risks' section of the submission.

APPROVAL TO SUBMIT TO THE DECISION-MAKER (this approval is required only for submissions to the PCC).

Chief Executive

I am satisfied that relevant advice has been taken into account in the preparation of the report and that this is an appropriate request to be submitted to the PCC

Signature:



Date: 17.01.2022