



## Council

<b>Decision Maker</b>	Council
<b>Date</b>	21 September 2022
<b>Status</b>	General Release
<b>Title</b>	Treasury Management Strategy Statement (TMSS) Amendment
<b>Wards Affected</b>	All
<b>Policy Context</b>	To manage the Council's finances prudently and efficiently.
<b>Cabinet Member</b>	Cabinet Member for Finance and Council Reform
<b>Financial Summary</b>	<p>The Annual Treasury Management Strategy Statement sets out the Council's strategy for ensuring that:</p> <ol style="list-style-type: none"><li>a. its capital investment plans are prudent, affordable and sustainable;</li><li>b. the financing of the Council's capital programme and ensuring that cash flow is properly planned;</li><li>c. cash balances are appropriately invested to generate optimum returns having regard to security and liquidity of capital.</li></ol> <p>An additional paragraph is recommended to widen the scope of the Council's borrowing options and assist the Council's quest for funding of green, climate friendly capital projects.</p>
<b>Report of:</b>	Gerald Almeroth Executive Director of Finance and Resources <a href="mailto:galmeroth@westminster.gov.uk">galmeroth@westminster.gov.uk</a> 020 7641 2904

## 1. EXECUTIVE SUMMARY

- 1.1 The Council's Treasury Management Strategy (TMSS) was approved by Cabinet on 17 February 2022 and Full Council on 2 March 2022.
- 1.2 The TMSS sets out the Council's approach for ensuring that capital investment plans remain affordable, that the associated financing is properly planned, and any cash held by the Council generates optimum returns in respect of security and liquidity.
- 1.3 This report asks Council to approve a minor addition to the Council's borrowing strategy.
- 1.4 The recommended excerpt (one additional paragraph) can be found at **Appendix A**.
- 1.5 The suggested amendment is compliant with the CIPFA Treasury Management Code and CIPFA Prudential Code (both are 2021 versions).

## 2. RECOMMENDATION

- 2.1 Council is asked to approve an amendment to the Council's borrowing strategy, allowing greater flexibility in the range of financing options available.

## 3. REASON FOR DECISION

- 3.1 The suggested amendment allows the immediate adoption of community municipal investments which will help facilitate the Council's commitment to lower carbon in the Council's strategy reference global climate change.

## 4. BACKGROUND INFORMATION

- 4.1 The Council is exploring alternative forms of financing as part of the wider borrowing strategy. The amendment will allow the opportunity for the Council to undertake alternative forms of funding through a wider network of lenders that offer community municipal investments.
- 4.2 The proposed additional wording to the TMSS (para 6.10) is as follows:

**“The treasury management strategy will also allow the use of community municipal investments, a bond like instrument, where funds can be raised from multiple investor sources, including individuals. This is an alternative financing route, which will help facilitate the Council's commitment to becoming a carbon neutral council by 2030 and carbon neutral city by 2040. Proceeds from the bond issue will be used as a funding source for green projects within the Council's capital programme.”**

- 4.3 Any new funding undertaken under the suggested amendment in this report would be a small proportion of the Council's total debt portfolio and would therefore not exceed the authorised limit as approved by Council under the Prudential Code.
- 4.4 This amendment complies with the Treasury Management Code and any new transactions entered into would be in accordance with the Council's Treasury Management Practices.
- 4.4 The additional wording has been incorporated into the TMSS, attached as **Appendix A** (para 6.10).