



|                            |   |
|----------------------------|---|
| Council name               | <b>COTSWOLD DISTRICT COUNCIL</b>  |
| Name and date of Committee | <b>AUDIT AND GOVERNANCE COMMITTEE – 27 JANUARY 2026</b>   |
| Subject                    | <b>ANNUAL TREASURY MANAGEMENT STRATEGY AND NON TREASURY MANAGEMENT INVESTMENT STRATEGY (DRAFT)</b>  |
| Wards affected             | N/A   |
| Accountable member         | Cllr Patrick Coleman, Cabinet Member for Finance and Transformation<br>Email: <a href="mailto:patrick.coleman@cotswold.gov.uk">patrick.coleman@cotswold.gov.uk</a>  |
| Accountable officer        | David Stanley, Deputy Chief Executive and S151 Officer<br>Email: <a href="mailto:david.stanley@Cotswold.gov.uk">david.stanley@Cotswold.gov.uk</a>   |
| Report author              | Michelle Burge, Chief Accountant<br>Email: <a href="mailto:michelle.burge@Cotswold.gov.uk">michelle.burge@Cotswold.gov.uk</a>   |
| Summary/Purpose            | <p>The Council is required to approve a Treasury Management Strategy and Non-Treasury Investment Strategy (Investment Strategy) for 2026/27 prior to 01 April 2026.</p> <p>This report presents the draft Treasury management Strategy Statement (TMSS) for 2026/27 (<b>Annex A</b>), draft Non-Treasury Investment Strategy (<b>Annex B</b>) and draft Minimum Revenue Provision (MRP) Statement (<b>Annex C</b>). These have been prepared in accordance with</p> <ul style="list-style-type: none"><li>• The CIPFA Prudential Code (2021)</li><li>• The CIPFA Treasury Management Code of Practice (2021)</li><li>• Ministry of Housing, Community and Local Government (MHCLG) revised statutory guidance on Local Government Investments.</li></ul> <p>Together they set out the Council's approach to borrowing, investment, cash flow management and prudent capital financing for the year ahead.</p> |
| Annexes                    | <b>Annex A</b> - Draft Treasury Management Strategy 2026/27   |



|                             |   |
|-----------------------------|---|
|                             | <b>Annex B</b> – Draft Non-Treasury Investment Strategy 2026/27<br><b>Annex C</b> – Draft Minimum Revenue Provision Statement   |
| Recommendation(s)           | That the Committee resolves to:<br><ol style="list-style-type: none"><li>1. Note the draft Treasury Management and Non-Treasury Investment Strategy for 2026/27 and provides feedback to the Cabinet and Council for consideration as part of the 2026/27 Council's budget setting process.</li></ol> |
| Corporate priorities        | The Council's Capital Strategy underpins all the Council's priorities including 'Delivering Good Services' 'ensuring value for money and good standards' and 'enhance financial resilience and making best use of our assets'.  |
| Key Decision                | NO  |
| Exempt                      | NO  |
| Consultees/<br>Consultation | N/A   |



## **1. BACKGROUND**

- 1.1** The Treasury Management and Non-Treasury Investment Strategy outline how the Council will manage its cash flows, investments, and borrowing during 2026/27.

## **2. TREASURY MANAGEMENT**

- 2.1** Treasury management ensures that:

- The Council has cash available when needed to fund operations; and
- Surplus cash is invested securely and prudently, prioritising security, liquidity, and yield in that order.

- 2.2** Treasury management also incorporates the financing of the Council's capital programme, including the timing and nature of borrowing.

- 2.3** Under CIPFA's definition, treasury management covers the Council's:

- Borrowing
- Investments
- Cash flows and banking
- Money market and capital market transactions
- Management of related risks

## **3. BORROWING POSITION**

- 3.1** The Council does not plan to undertake new external borrowing during 2026/27, but this will be reviewed regularly in light of:

- Capital programme requirements
- The interest rate environment
- Government funding updates

- 3.2** The 2021 Prudential Code requires Councils to adopt the Liability Benchmark, a key indicator showing the long-term borrowing requirement and informing liquidity and refinancing risk.

## **4. NON-TREASURY INVESTMENTS**

- 4.1** Non-treasury investments are held primarily for financial return. The strategy:



- Ensures that such investments maintain appropriate security and liquidity
- Requires ongoing monitoring of performance and risk
- Ensures compliance with statutory guidance

## **5. LEGISLATIVE COMPLIANCE**

### **5.1 Annexes A – C** meet statutory and regulatory requirements as follows:

- **Annex A** – Treasury Management Strategy
  - Details day-to-day treasury operations
  - Sets treasury prudential indicators
  - Sets the annual borrowing and investment strategies
- **Annex B** – Non-Treasury Investment Strategy
  - Details non-treasury investment decisions and performance monitoring
- **Annex C** – Minimum Revenue Provision Statement
  - Sets out the method for charging revenue to pay for capital expenditure financed by borrowing, in line with the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003

## **6. ALTERNATIVE OPTIONS**

### **6.1** None. The Council is required to approve these strategies each year.

## **7. FINANCIAL IMPLICATIONS**

### **7.1** Financial implications are embedded throughout the strategies and reflect the Council's capital, financing, borrowing and investment plans for 2026/27.

## **8. LEGAL IMPLICATIONS**

### **8.1** There are no legal implications arising from this report. The strategies fulfil the Council's statutory responsibilities.

## **9. RISK ASSESSMENT**

### **9.1** The strategies incorporate an assessment of key risks, including:

- Interest rate risk
- Counterparty and credit risk



**COTSWOLD**  
District Council

- Liquidity and refinancing risk
- Risks associated with commercial (non-treasury) investments

Mitigations and controls are embedded within the TMSS and related indicators.

## **10. EQUALITIES IMPACT**

**10.1** None directly arising from this report.

## **11. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS**

**11.1** None directly arising from this report.

## **12. BACKGROUND PAPERS**

**12.1** None.

(END)