

Appendix 1 – Summary of the main amendments between 2022-23 and 2023-24

This appendix reports significant changes only

Item	TMS page	Comment
Treasury management Policy Statement	3	Moved two paragraphs from the main text into the statement itself (from “The Council regards...”).
Treasury Management Strategy	5	Added paragraph confirming that the Council’s long-term investments are within scope of a Treasury investment as the Council is currently debt-free.
Risk management	6	New Code requirement Included reference to proportionality in risk statement
Treasury investments and borrowing	7	New Code requirement Updated wording starting “The contribution that treasury investments...”
Counterparty Limits	8	Increased maximum individual counterparty limit to £7m (from £6m) based on resource projections. This limit is then applied via tables 3 and 4.
Borrowing strategy statement	14	New Code requirement New policy statement included
Treasury management Indicators	6 & 17	New Code requirement Added prudential indicator for the Liability Benchmark
Prudential limit for long term treasury investments	18	New Code requirement Now splits total between expected investments with expected maturities over the next three years (nil presently) and investments with no fixed maturity, being mainly the Council’s external fund investments.

Policy on Use of Financial Derivatives	19	New Code requirement Added confirmation that the Council will seek, and take into account, external advice before entering into financial derivatives
Markets in Financial Instruments Directive II	20	New Code requirement Added confirmation that the Council maintains a list of entities with which it has elected professional investor status within the Council's Treasury Management Practices
Investment training	20	Updated the core requirement to add "and that they are commensurate with the authority's risk appetite and activities." In line with updated Code requirements. Added further details of the evaluation of skills and experience that have been undertaken by investment counterparties as part of the MIFID2 professional client approval process.
<b>Investment Strategy</b>		
Commercial investments	26	Proportionality indicator for 2023-24 onwards now based on calculation of projected net revenue stream from the Council's financial strategy
Service Investments	26 - 29	New Code requirement  Entirely new section added
<b>Appendix A</b>		
Economic Outlook	31	Added commentary to underline that the UK fiscal position is changing so rapidly during Autumn 2022 that the projections contained in appendix A are certain to be out of date when this strategy comes into effect.
<b>Treasury Management Policies</b>		
TMP1 – Risk Management	Appendix 3	New Code requirement – added paragraph starting "This organisation regards..."  Added reference to ESG Counterparty policy
TMP2 – Liquidity Management	Appendix 3	New Code requirement – replaced "This council will only borrow.." with section starting "This organisation will not borrow...". The update clarifies the restrictions on borrowing in advance of need proscribed by the updated Code.

<p>TMP3 - Interest rate, inflation and market risk management</p>	<p>Appendix 3</p>	<p>Removed bullet point that required new borrowing to be restricted to 'invest to save projects' – this did not match the Treasury and Investment strategy.</p> <p>Added a new section to explain the methodology used for assessing market variability and risk -starting from "The Council will also calculate..."</p> <p>Added new section covering hedging, including derivatives.</p> <p>Added new sub-section on Price risk management</p>
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